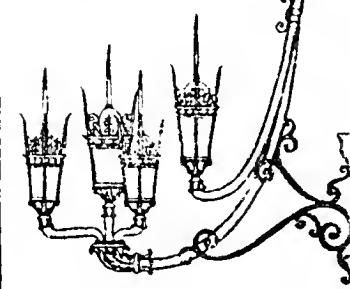


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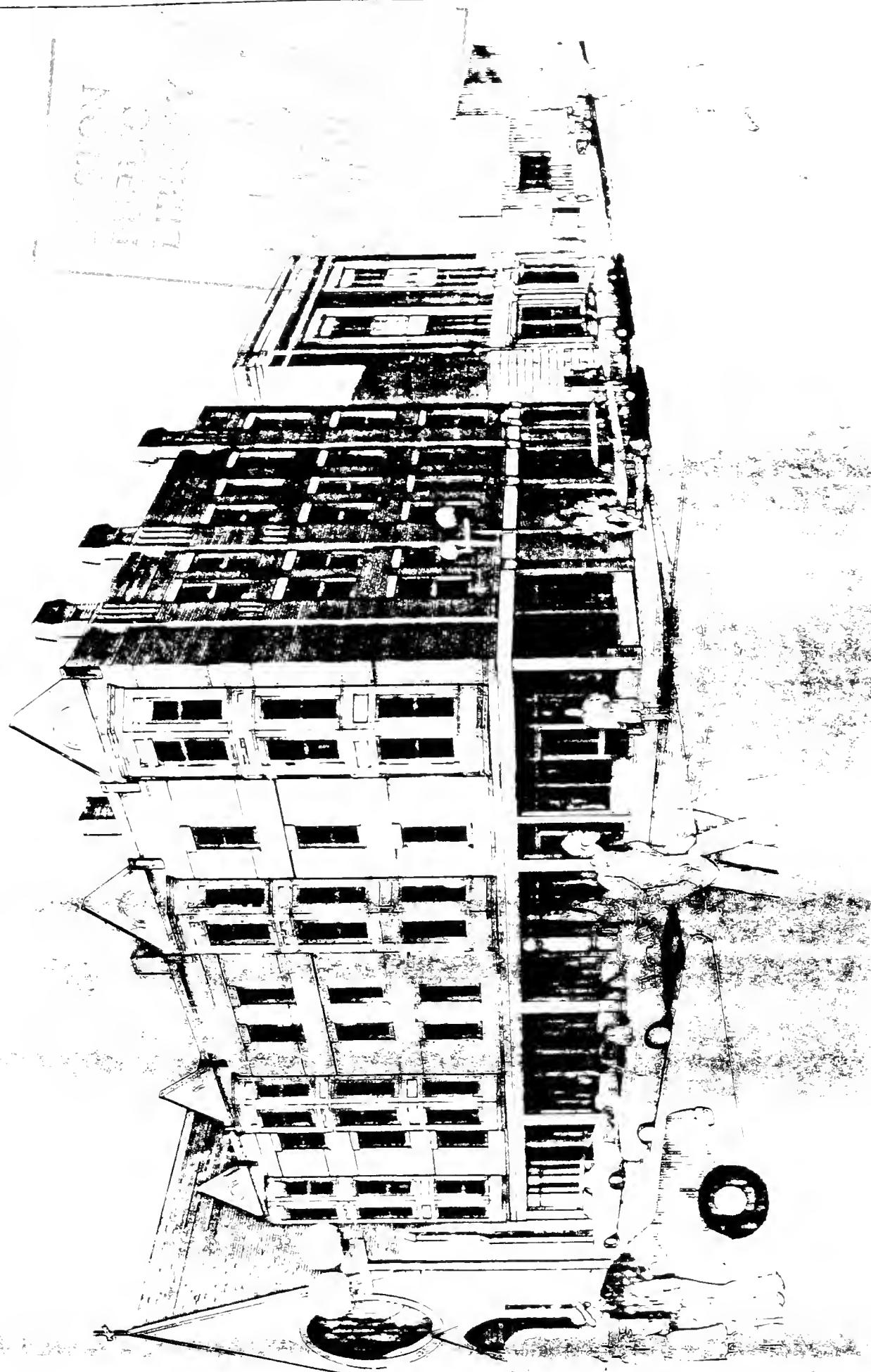
BRA

611

BOSTON
PUBLIC
LIBRARY



BRA
6-11



January 31, 1983

Mr. Robert J. Ryan, Director
Boston Redevelopment Authority
1 City Hall Square
Boston, MA 02201

Dear Mr. Ryan:

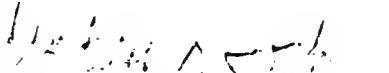
We are pleased to submit our proposal for the redevelopment of 4-18 Clarendon Street and 72 Warren Avenue.

We have proposed a mixed-use redevelopment which develops the properties to their maximum market value. This development includes 24 luxury residential condominiums, 8 of which are subsidized to 65% of market, and 4 office condominium suites. We offer a purchase price of \$350,000 of which \$145,000 is to be paid at closing and the balance of \$205,000 secured by a second mortgage to the BRA, to be paid at the completion of the development to subsidize eight units.

As you will see from this proposal, we have made a serious effort to explore all aspects of this redevelopment. Based on our evaluation of several alternatives, we strongly feel that this proposal balances the needs of the City, the Neighborhood, and the economic realities of the development process.

We would be pleased to provide additional information or clarification on any part of this proposal.

Very truly yours,


Morton L. Hodin

MLH:cmw

Enc.

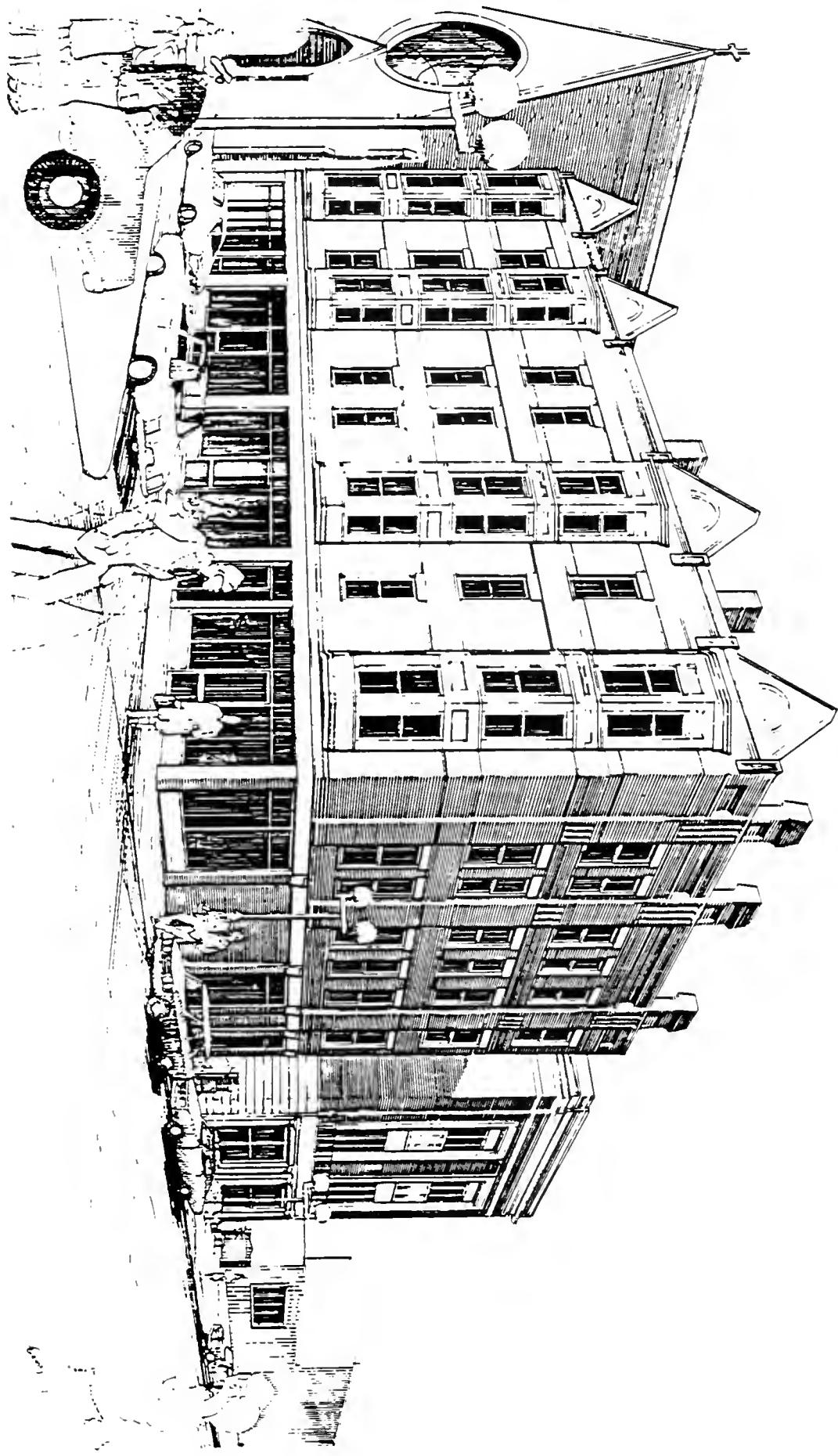


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THE REDEVELOPMENT

THE REDEVELOPMENT

THE REDEVELOPMENT PLAN

The plan for redevelopment of 4-18 Clarendon Street and 72 Warren Ave. is for mixed use to include 24 residential condominiums, 8 of which would be subsidized to 65% of Market, and 4 office condominiums. The residential condominiums would include all new, first class construction with top-of-the market amenities such as individual heat pump energy systems. Full specifications are provided later in this proposal.

Utilization Plan for the Buildings

24 Residential Condominiums (16 market, 8 subsidized*)
approximately 23,000 sq.ft.
4 Office Condominiums approximately 4,000 sq.ft.

<u>72 Warren Ave.</u>	<u>4-18 Clarendon</u>
Residential Condominiums	Residential Condominiums
6 one-bedroom	6 three-bedroom
4 two-bedroom	6 two-bedroom
1 three-bedroom	
1 four-bedroom	Office Condominiums
	4 Suites

* Eight units will be subsidized: In 72 Warren Ave., 2 one-bedroom, 1 two-bedroom and 1 four-bedroom duplex; in 4-18 Clarendon, 2 two-bedroom and 2 three-bedroom.

The purpose of the market subsidies is to make home ownership available to those moderate income people who have been by-passed from market housing because of construction costs and high interest rates, and who, at the same time, are not eligible for low income housing.

An Outreach and Selection Plan, and a Fund to support the Plan, is included to assure that long-time South End residents and/or displaced households have a reasonable opportunity to be selected for the subsidized units.

THE REDEVELOPMENT - The Redevelopment Plan

To create these subsidies, this proposal incorporates a concept called "value transfer." Under this concept the intrinsic value of the vacant buildings and land is purchased from the city by the developer. Payment, in all or part, is made at the completion of the development in the form of subsidies to market price for part or all of the finished units. Although similar to the traditional "writing down the price" of a property for general concessions, "value transfer" quantifies specifically what is given and what is received. Furthermore, as will be discussed in this proposal, the BRA and/or City directly give the value of these subsidies to its citizens.

As is shown later in our subsidy proposal, eight specific units are selected for subsidies. We guarantee the final subsidized price on these units. This price is determined by assuming a market price of \$80/sq.ft. and a 35% subsidy. All non-subsidized units will then be allowed to be market priced. The developer assumes the risks and benefits of the remaining market units. As we will demonstrate later in this proposal, maximizing the amount of subsidy for each unit is more appropriate than maximizing the number of units subsidized.]

REDEVELOPMENT OFFER

We hereby offer to the BRA, as part of this proposal, \$350,000 to purchase these buildings for the redevelopment plan described. The purchase price of \$350,000 is to be paid as \$145,000 cash at closing and the balance of \$205,000 to be paid at the completion of the development to subsidize eight specific units to 65% below Market. Between the closing and the occupancy of the eight subsidized units by qualified owners, this balance would be secured by a second mortgage to the BRA.

RATIONALE FOR THE REDEVELOPMENT PLAN

We have proposed a mixed-use redevelopment which develops the properties to their maximum market value. This development includes 34 luxury residential condominiums, 8 of which are subsidized to 65% of market, and 4 office condominium suites.

We strongly feel that this proposal balances the needs of the City, the Neighborhood, and the economic realities of the development process. The BRA and the City have the overall goal of the creation of additional housing units, especially those which are priced below

THE REDEVELOPMENT - Rationale For The Redevelopment Plan

prevailing market rates. The city has stated its commitment to create additional housing units for those long-term residents who cannot afford market rate housing, who have been displaced, and who are not eligible for the low-income subsidized units built during the urban renewal process. This task has not been possible given the uncertain economic climate and the absence of Federal or State assistance. The Ellis Neighborhood, as a home ownership area, desires a development which will be consistent with its make-up and character. Because of the size and location of these buildings, they have a major impact on the neighborhood. All are in favor of a plan which has assurances of speedy commencement of redevelopment and completion. As vacant buildings, these properties have caused significant concern because they are not only eyesores but also safety hazards. Uncertain completion is not an unwarranted issue based on past experiences with some South End properties. Our decision to develop the property in the home-ownership condominium mode is directed to balance these concerns.

First, ownership creates the highest possible current market value. By maximizing the value of the properties as condominiums, as opposed to rental units, the developer is in a better position to offer value back to the city immediately. This value translates into a higher price paid by the developer, or more subsidies.

Second, these subsidies to the price of condominiums can make available below-market units to moderate income families. Studies continue to show a dramatic preference of moderate income families for ownership. By including proper assurances that South End residents have priority standing, establishing an in-place mechanism for evaluating financial qualifications, and providing title restrictions to prevent speculation and insure long-term stability, market-subsidized condominium units can satisfy the below-market price need at least as well as a rental plan. *7th flt*

Third, home ownership is consistent with the Ellis Neighborhood's make-up.

Fourth, redevelopment as condominium units creates the highest likelihood of early commencement and completion of the project because of the greater certainty of the financing package. Notwithstanding current reductions in interest rates, any development that relies only on short-term construction funds, with a stand-by end loan commitment for buyers which has been pre-qualified in the secondary mortgage market, is much more immune to tight credit.

Fifth, highest possible market value means highest property tax revenues to the City.

THE REDEVELOPMENT - Rationale for the Redevelopment Plan

Our decision to include office condominiums in the proposal is based on our market analysis for a specific office ownership market for South End professionals such as lawyers, accountants, physicians and architects. Although residential rehabilitation was the preferred use as reported in the 1979 BRA South End Environmental Assessment, the factors that detracted from other development were focused on retail as opposed to office use. Those factors, competitive development at Tent City, vehicular access problems if Clarendon St. is closed, and potential conflict with upper story residential, are not significant for office use.

We feel that this office use is the most appropriate use of the first floor Clarendon site. As a specific market segment for South End professionals, the marketability is somewhat independent of overall Boston office space factors.

DESIGN CONSIDERATIONS

Careful consideration has been given to the redevelopment plan with regard to the buildings themselves, their relationship to the site and to the neighborhood. For the Clarendon St. Buildings, the proximity to the Boston Center For The Arts, the nature of traffic on Clarendon St., and the original design intention and previous use of the ground level indicate that a commercial use is appropriate here. There is a demand for office condominiums in the South End and this use at ground level is also convenient to the rest of the plan. Office and residential uses do not compete for the same parking spaces as one arrives after the other has left. Also, the presence of tenants during the day on the ground level and in the evening for the upper levels ensures that there are always "eyes" on the street and improves the security to the project as a whole. Office condominiums also generate less trash, require far fewer service deliveries, and create less traffic and noise than other commercial uses.

These two buildings were and are first class structures. While the interiors are obviously unusable as they are due to neglect and disuse, the exterior facades are an asset to the neighborhood. We propose to do nothing to alter this. There will be no greenhouse windows, no additions to the height of the buildings or other additions, and no new window openings visible from public ways. The existing buildings will be restored to their original appearance with every effort made to use the same materials and architectural elements in sympathy with the rest of the historic neighborhood. The later shed structures including the site office will be removed.

THE REDEVELOPMENT - Design Considerations

The Clarendon St. buildings were formerly residential and so no drastic changes need be made to restore this building to this use. As for the firehouse, two key design decisions have been made in order to refit this building. First, the decision was taken to divide the building lengthwise into rowhouse type units approximately 24 ft. wide by 37 ft. deep. This is in keeping with the type of houses found throughout this neighborhood and allows each tenant to have his own identifiable home and entry rather than being grouped into one large complex. Secondly, it was decided to build a brick wall on the property line with the school thus enclosing the space on the side of the property. This creates a landscaped mews with terraces for the enjoyment of the tenants and for the entries to the individual units. Indeed, both the Clarendon St. building and the firehouse are regarded as one development and the space between these buildings will be treated in a similar fashion to the garden courts. In addition, for outside space, we propose to build roof terraces, either separate or common, confined between the stair towers and well back from the edges of the buildings. These terraces are not visible from the street or the adjacent buildings due not only to their placement at the center of the site, but also to the projection of tall parapets and gabled pediments on both buildings well above the height of the roof.

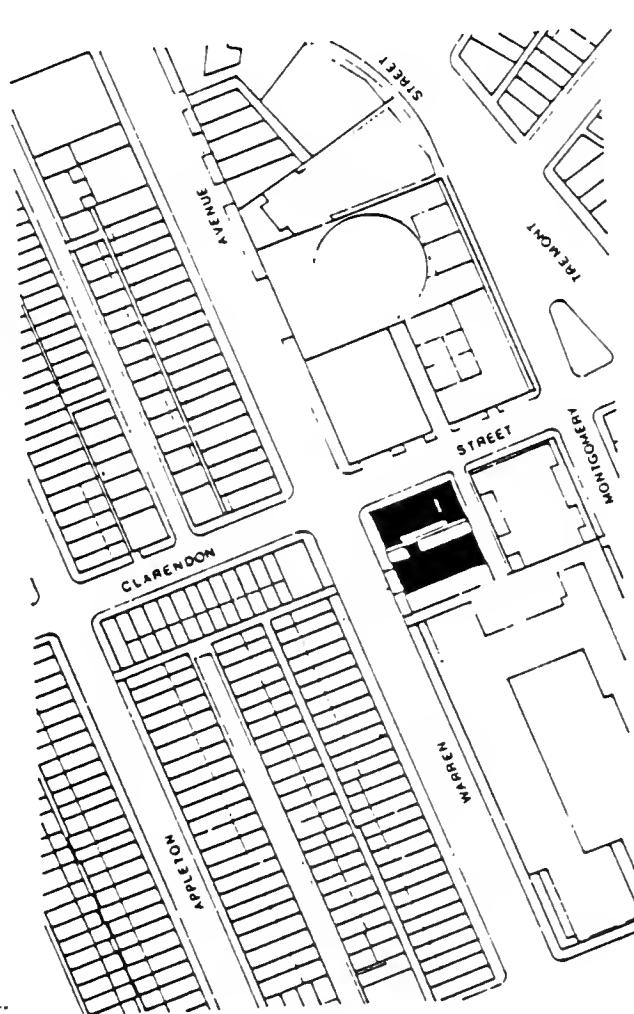
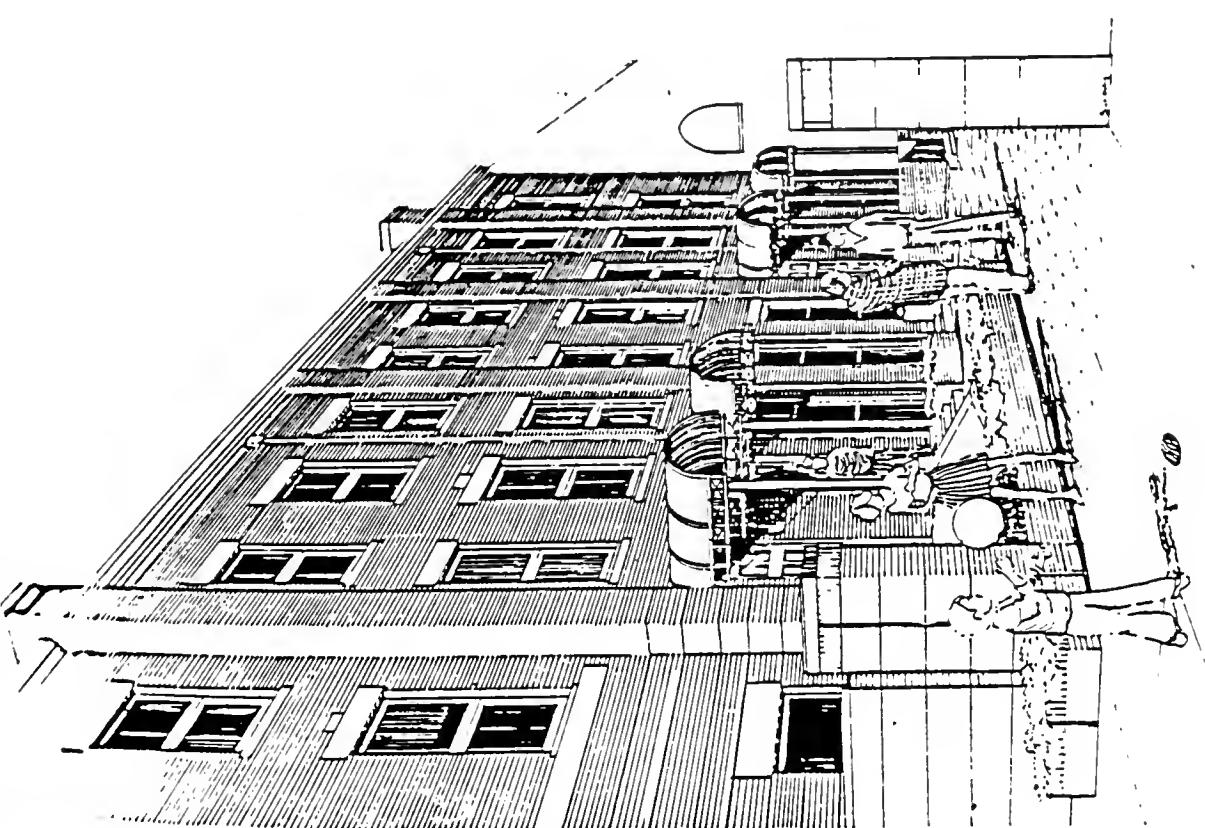
Provisions for trash disposal can be made on the public way between the Clarendon St. Church and the site. Depending on the future disposition of the church site it is hoped to treat this area with gateposts and landscaping similar to that throughout the rest of the project. There are two stairs in each building. Second means of egress is effected by use of fire escapes new and existing on the secondary facades of the buildings.

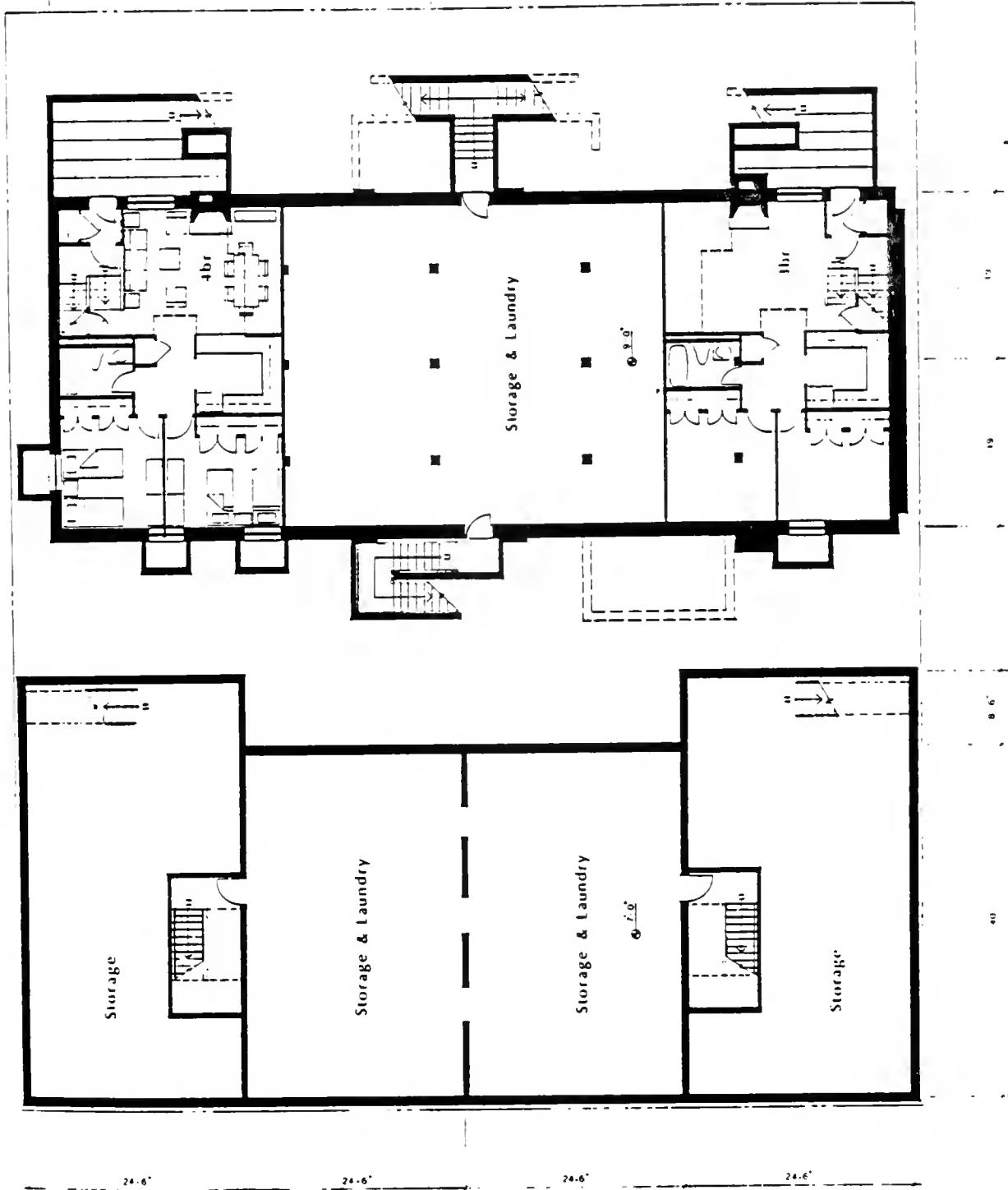
View from Warren Avenue



4-18 Clarendon Street 72 Warren Avenue

Morton L. Itkin, developer
1616 Voltaire, Field Road, Boston, Mass.
Jack A. Bialosky, architect
304 Beacon Street, Boston, Mass.

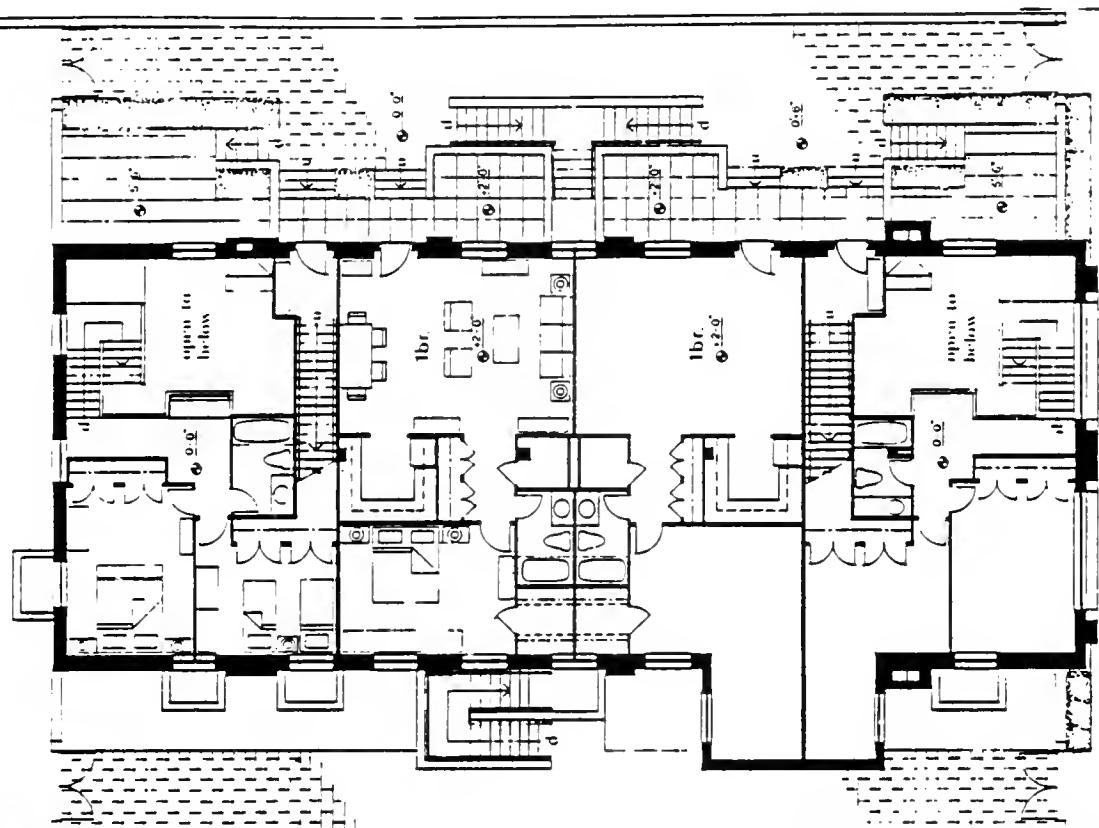




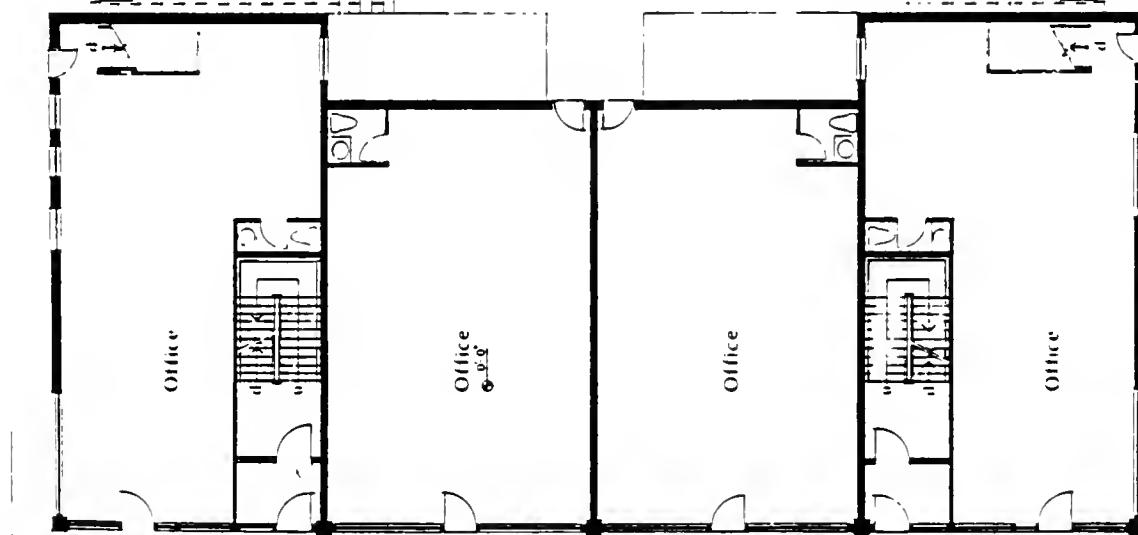
4-18 Clarendon Street
72 Warren Avenue

Morton L. Hodin, developer
160 Soldiers Field Road, Boston, Mass.
Jack A. Bialosky, architect
104 Newland Street, Boston, Mass.

Ground Level Plan



Warren Avenue



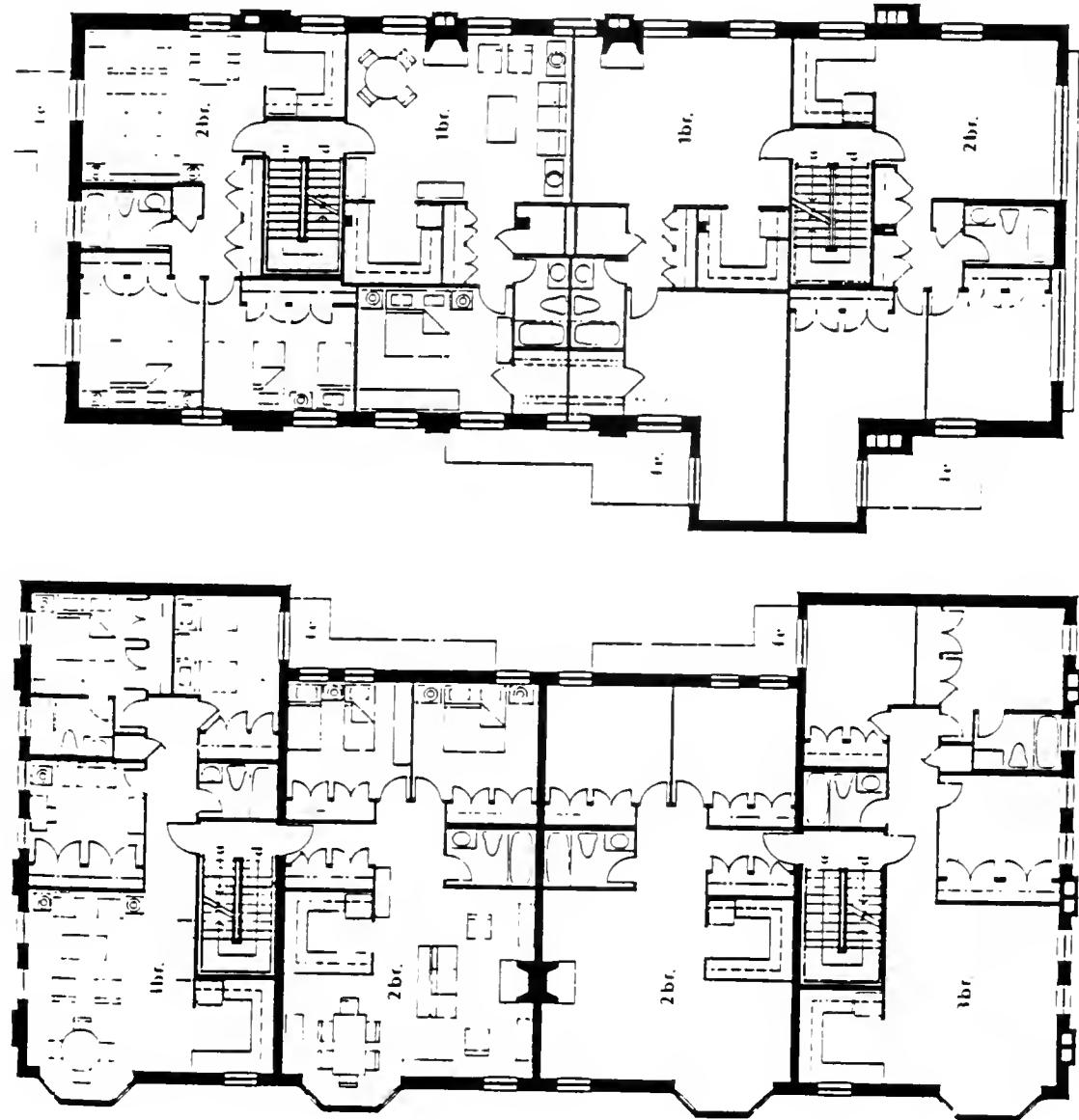
Clarendon Street

Morton L. Hodin, developer
616 Soldiers Field Road, Boston, Mass.
Jack A. Bialosky, architect
704 Brattle Street, Boston, Mass.

4-18 Clarendon Street
72 Warren Avenue

Typical level plan

4-18 Clarendon Street
72 Warren Avenue



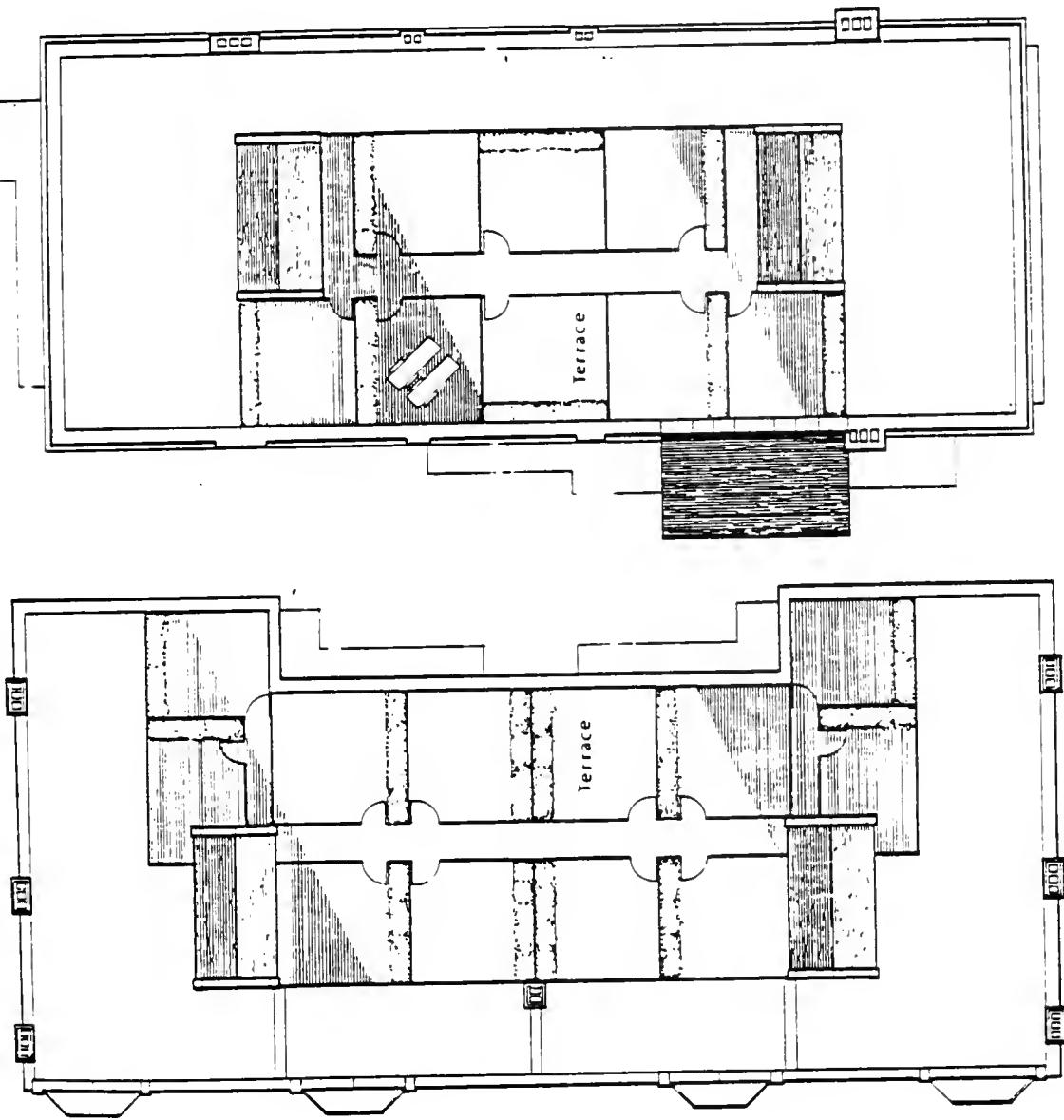
Horizon L. Hodin, developer
16 Soldiers Field Road, Boston, Mass.
Eck A. Bialowsky, architect
4 Beacon Street, Boston, Mass.

Roof Plan



4-18 Clarendon Street
72 Warren Avenue

Morton L. Holden, developer
Architects, Holden, Holden, Boston, Mass.
Jack A. Balosky, architect
101 Beacon Street, Boston, Mass.



THE REDEVELOPMENT

UNIT DESCRIPTION/MARKET VALUE ANALYSIS

(000) omitted

	<u>UNIT DESCRIPTION</u>	<u>SQ. FT.</u>	<u>MARKET PRICE¹</u>	<u>SUBSIDY*</u>	<u>SUBSIDIZED PRICE</u>
<u>72 Warren Ave.</u>					
<u>Level 1/0</u>	Unit 1 3 BR Duplex	1187 ²	95		
	2 1 BR + Study	810	65		
	*3 1 BR	730	58	20	38
	*4 4 BR Duplex	1123 ²	90	32	58
<u>Level 2</u>	Unit 5 2 BR +	846	68		
	6 1 BR + Study	810	65		
	*7 1 BR	700	56	20	36
	8 2 BR	796	64		
<u>Level 3</u>	Unit 9 2 BR +	846	68		
	10 2 BR + Study	810	65		
	11 1 BR	700	56		
	*12 2 BR	796	64	<u>22</u>	<u>42</u>
<u>4-18 Clarendon St.</u>					<u>\$ 94</u>
<u>Level 1</u>	Unit 1 Office	950	57		
	2 Office	950	57		
	3 Office	950	57		
	4 Office	950	57		
<u>Level 2</u>	Unit 5 3 BR	1050	84		
	*6 2 BR	980	78	27	51
	7 2 BR	980	78		
	*8 3 BR	1050	84	29	55
<u>Level 3</u>	Unit 9 3 BR	1050	84		
	10 2 BR	980	78		
	*11 2 BR	980	78	27	51
	12 3 BR	1050	84		
<u>Level 4</u>	Unit 13 3 BR	1050	84		
	14 2 BR	980	78	27	
	15 2 BR	980	78		
	16 3 BR	1050	84		
					<u>\$ 110</u>
TOTAL RESIDENTIAL		22,324	\$1788	\$204	
TOTAL OFFICE		3,800	228		
TOTAL MARKET VALUE			\$2018		

* Subsidized Units; Subsidies 35% of market price

1. Market price based on \$80/sq.ft, residential; \$60/sq.ft. office

2. Nominal for pricing purposes, actual for unit 1 and 4 is 1528 and 1450 sq.ft. respectively.

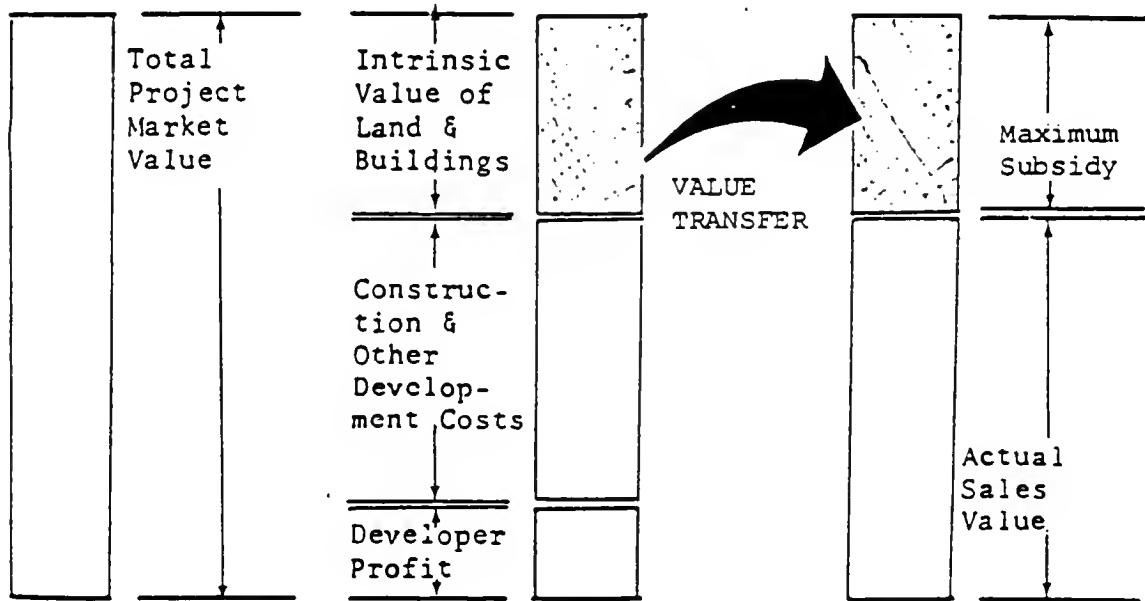
SUBSIDIES

SUBSIDIES

USING THE VALUE TRANSFER CONCEPT TO CREATE SUBSIDIES FOR MODERATE INCOME BUYERS

The city owns an asset in the form of land and vacant buildings. The city, however, is not able to give any benefit to its citizens from these assets because of the present deteriorated condition of the properties. At the same time, there is a need to provide below-market residences for those citizens of moderate income who, because of conditions at the local and national level, cannot afford adequate housing.

In the absence of Federal or State funds, the developer can help the city make use of wasted resources and satisfy the housing needs of its citizens, using the value transfer concept. The role of the developer is to transfer the intrinsic value of the land and empty buildings into a usable value in finished, residential property. The value of finished housing can then be of several forms: complete units turned over to the city or one of its agencies as trustee, or as subsidies to reduce rents, or subsidies to reduce the cost to purchase condominium units.



The intrinsic value of the land and buildings is based on an appraisal of the project in terms of total market value. The balance of total market value minus all construction, other development costs, and developer profit, equals the intrinsic value of the land and the buildings. In the absence of other funds, this value is also the maximum subsidy.

SUBSIDIES - Using Value Transfer To Create Subsidies

The developer must have a profit motive from the city because he assumes the risk of this transfer process. An equitable balance between the profit requirements necessary to satisfy the risk of the developer and the return of the intrinsic value of the land and buildings to the city in finished housing would be considered the ideal proposal. Although similar to the traditional "writing down the price" of a property, "value transfer" quantifies specifically what is given and what is received.

In this proposal, our analysis of market value results in a total intrinsic value of \$350,000. Our proposal includes a cash down-payment of \$145,000; the balance of the intrinsic value, \$205,000, would apply to subsidies on eight units. At the closing, the developer would make a down payment of \$145,000 and give a second mortgage to the BRA/City of Boston for \$205,000. At the time of filing condominium documents, including master and unit deed, or at the completion of the construction phase, this second mortgage would be transferred to and distributed among each of the eight subsidized units to create the subsidy. In this manner the intrinsic value of the buildings has been transferred directly to the benefit of the citizens. Because the city approves the mortgage, the citizen receives the benefit from the city not the developer. Until each of the eight subsidized units is complete and occupied, the city retains collateral for the non-cash balance from the developer.

✓ KIN
no!

FACTORS WHICH AFFECT SUBSIDIES

Income Eligibility

The purpose of these market subsidies is to make home ownership available to those moderate income people who have been by-passed from market housing because of construction costs and high interest rates, and who, at the same time, are not eligible for low income housing. The Massachusetts Housing Finance Agency has identified this category of buyers in the recent 13.70% Homeownership Program/Single Family Mortgage Purchase Program. Regardless of whether these MHFA funds are available, local banks can easily use the same criteria guidelines to qualify buyers. Please note the letter of preliminary interest from the Provident Institution for Savings which specifies the use of this criteria. It is our plan in conjunction with the financial institution to use this guideline to certify the income eligibility of the applicants for subsidized units.

✓ KIN

SUBSIDIES - Factors Which Affect Subsidies

Income Eligibility - Continued

Listed below are income eligibility guidelines for the greater Boston area of the MHFA plan. These income eligibility guidelines change from time to time.

No. of Persons in Household	Within Boston SMSA
1	\$25,500
2	\$28,500
3	\$30,000
4	\$31,500

It is important that subsidies be large enough to make the above category of people eligible for home ownership. Maximizing the number of units subsidized is not as effective as maximizing the subsidy to qualify at this level.

Other Eligibility Factors

In addition to moderate income buyers, other preferred categories would be long-time South End neighborhood residents and/or those displaced households from other or previous renewal.

Restrictive Covenants

In order to assure compliance by the developer and to prevent speculation by the owners on subsidized units, the city would hold second mortgages on the subsidized units. We recommend to the BRA that the subsidy be granted as a second mortgage from the City. It is also recommended that this second mortgage be forgiven after 10-15 years and that the second mortgage include assumption provisions if MHFA guidelines are met by the new buyer.

SUBSIDIES - Factors Which Affect Subsidies

Subsidy Size

For a given total subsidy, our preference would be to maximize the subsidy on each unit as opposed to maximizing the number of units subsidized. Subsidies which do not reach moderate income levels, as discussed earlier, should be avoided. Shown below is an analysis of recent market and buyer income requirements.

SAMPLE ANALYSIS OF THE SUBSIDY IMPACT ON THE MINIMUM INCOME QUALIFICATIONS FOR BUYER

	100% <u>Market</u>	65% <u>Market</u>
@ \$80/sq.ft.		

SALES PRICE

2 Bedroom 980 sq.ft. all new rehabilitation	\$78,000	\$51,000
20% Down 80% Mortgage	62,400	40,800

DIRECT MONTHLY COSTS*

Principal & Interest	704	406
Taxes	162	106
Condominium Fees	50	50
	<u>916</u>	<u>562</u>

BUYER-MINIMUM INCOME TO QUALIFY FOR MORTGAGE**	\$39,257	\$24.100
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* - Assumes 25-year mortgage at 13% Interest
- Taxes at $2\frac{1}{2}\%$ of Sales Price
- Equivalent Condo Fee

** - Direct Monthly costs must be less than 28% of
gross monthly income.

SUBSIDIZED PROPOSAL.

72 Warren Ave.
4-18 Clarendon St.

SUBSIDIZED UNITS	MARKET AND SUBSIDIZED PRICES			BUYER INCOME REQUIREMENTS		
	FIXED MARKET PRICE	SUBSIDY @ 35%	SUBSIDIZED PRICE	SUBSIDIZED BUYER		Maximum Income **
				Minimum Income	Subsidized Buyer	
72 WARREN						
Unit 3	1 BR	\$58,000	\$20,000	\$38,000	\$20,271	\$25,500-28,500
4	4 BR Duplex	90,000	32,000	58,000	29,742	31,500-33,000
7	1 BR	56,000	20,000	36,000	19,285	25,500-28,500
12	2 BR	64,000	22,000	42,000	22,114	28,500-30,000
4-18 CLARENDON						
Unit 6	2 BR	78,000	27,000	51,000	24,100	\$28,500-30,000
8	3 BR	84,000	29,000	55,000	28,328	30,000-31,500
11	2 BR	78,000	27,000	51,000	24,100	28,100-30,000
14	2 BR	78,000	27,000	51,000	24,100	28,500-30,000
		\$586,000	\$204,000	\$382,000	\$382,000	

* Our proposal to the BRA includes both a cash purchase and an allowance for subsidies. Our analysis of market value results in total intrinsic value of \$350,000. Our proposal includes a cash payment of \$146,000 and subsidies of \$204,000 which are distributed to the eight units as shown above. We guarantee these final subsidized prices on the eight subsidized units. This price is determined by assuming a market price of \$80 per sq. ft. and a 35% subsidy. All non-subsidized units will then be allowed to be market priced. The developer assumes the risks and benefits of the market units.

** Using MIFA guidelines.

SUBSIDIES

OUTREACH AND SELECTION PLAN AND FUNDS FOR SUBSIDIZED UNITS

An important component of the proposal is to insure that preferred buyers have a reasonable opportunity to be selected for a subsidized unit. These preferred buyers are categorized as long-time South End neighborhood residents, of moderate income, and/or displaced households. This opportunity is created by both awareness and selection criteria, for which we would encourage collaboration and recommendations from the Ellis Neighborhood Association to develop guidelines. Our Outreach Plan would be to provide local public relations about the availability of subsidies through the South End News, Neighborhood Associations, and to seek assistance from the BRA in helping identify displaced/distressed families.] ✓

Just as important as the Outreach Plan is the Owner Selections Process for the subsidized units. Our process will be to develop guidelines, with the collaboration of the community. These guidelines and simple quantification measures would be used to classify groups of preferred and eligible candidates. We feel it is not practical to make an absolute ranking of individual candidates, but rather a small number (three, for example) of groups. As an example for demonstration purposes only, an applicant would receive 1 point as a long term South End resident; 1 point as being of moderate income; and 1 point for being a displaced household. All those with 3 points would be in the highest preferred category. Preliminary applications could be screened on a blind basis. It is assumed that there will be a large number of candidates in the highest category taken compared to available units. A lottery would then rank those candidates in the most preferred group. Those with the highest lottery numbers would then apply for first mortgages.

If selected as developer, we propose to create an Outreach and Selection Fund of approximately \$5,000 for the purposes of assisting community groups with out-of-pocket expenses for publicity, expenses incurred in the counseling of applicants regarding their eligibility, screening, and prepayment of up to 24 (3 times the number of units) credit checks and mortgage application processing fees at financial institutions.

USE OF NEIGHBORHOOD DEVELOPMENT FUND (NDF)

As a recommendation, an opportunity to enhance the subsidies on subsidized units could exist with the Neighborhood Development Fund (NDF). For example, if a family met all preferred criteria, including that of a displaced (distressed) household, satisfied the first mortgagee with regard to earning power, but did not have a

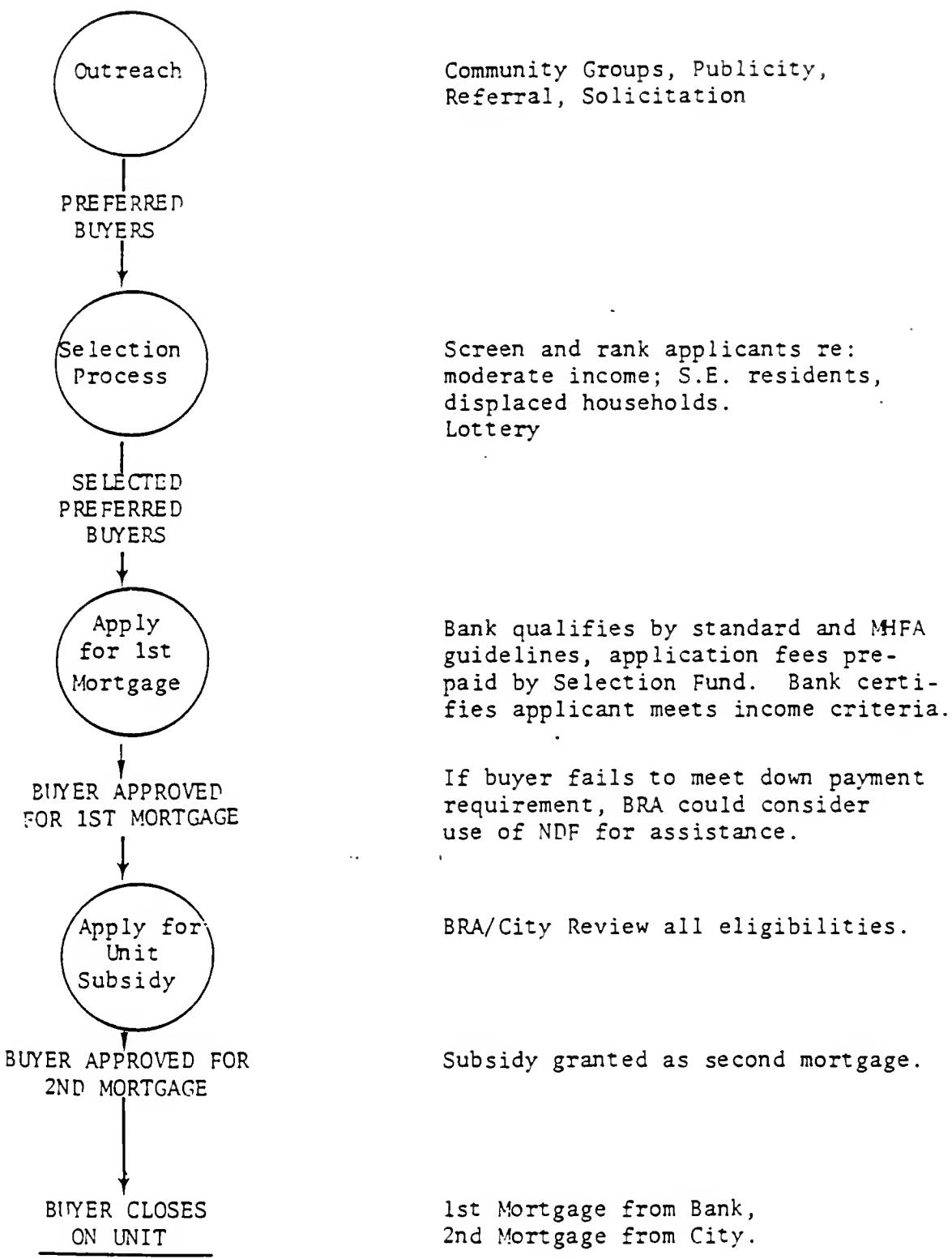
SUBSIDIES - Use of Neighborhood Development Fund (NDF)

source for down payment funds, then the NDF could be used as a last resort. Although firm specifications have not been set for the Fund as of this writing, its use in this manner for displaced/distressed households is certainly consistent with HUD's intent.

SUBSIDIES

SAMPLE FLOW CHART

OUTREACH SELECTION AND
QUALIFICATION FOR SUBSIDIZED UNITS



OTHER FACTORS

OTHER FACTORS

NEIGHBORHOOD SUPPORT

As was stated in the Rationale for Redevelopment, we are sensitive to the impact of this development on the neighborhood, and we feel our proposal addresses both the concern of the neighborhood and the City. To the best of our knowledge, we have been the only proposing developer on this property who has, on a prior basis, solicited inputs from the Ellis Neighborhood Association in order to increase the quality of our plan. As evidenced from the letter in the appendix, we presented our concepts to a special committee of the association. Further, we have sought their collaboration on guidelines for Outreach and Selection Plans. Clearly, the time between the call for proposals and the submission deadline is too short for the type of review necessary to receive an endorsement. However, we made this cooperative step even though it was possible to lose some competitive position by making our plans public. As developers, our own plan is for a long-term commitment to the South End; in that regard our position should be consistent with that of the neighborhood.

MARKETABILITY OF OFFICE CONDOMINIUMS

We have included office condominiums in this proposal, based on our market analysis for a specific office ownership market for South End professionals such as lawyers, accountants, physicians and architects. Although residential rehabilitation was the preferred use as reported in the 1979 BRA South End Environmental Assessment, the factors that detracted from other development were focused on retail as opposed to office use. Those factors, competitive development at Tent City, vehicular access problems if Clarendon St. is closed, and potential conflict with upper story residential, are not significant for office use.

We feel that this office use is the most appropriate use of the first floor Clarendon site. As a specific market segment for South End professionals, the marketability is somewhat independent of overall Boston office space factors. Enclosed in the appendix is a letter of confirmation of our market assessment.

Listed below is an analysis which compares office condominium price and office rents for the independent professional. This analysis incorporates the investment tax credit for older buildings of 20% not as a certified structure. As one can see from the analysis, these are excellent comparative values for new space.

OTHER FACTORS - Marketability of Office Condominiums

Annual Cost Analysis - Office Condominium Buyer

1000 sq.ft. typical unit

Sq.ft. Price

	<u>\$60/sq.ft.</u>	<u>\$70/sq.ft.</u>	<u>\$80/sq.ft.</u>	<u>\$90/sq.ft.</u>
--	--------------------	--------------------	--------------------	--------------------

Office Unit Price	\$60,000	\$70,000	\$80,000	\$90,000
Older Building Rehab ¹				
Investment Tax credit	\$8,000	\$8,000	\$8,000	\$8,000
Depreciation ²	3,740	4,130	4,800	5,740
Out of Pocket Costs				
P & I ³	8,124	9,480	10,824	12,180
RE Taxes @2½%	1,500	1,750	2,000	2,250
Condo Fees	1,200	1,200	1,200	1,200
PreTax Out of Pocket Costs	10,824	12,430	14,024	15,630
Depreciation on Tax Benefit ⁴	(1,735)	(2,065)	(2,400)	(2,735)
Investment Tax Credit ⁵	(2,000)	(2,000)	(2,000)	(2,000)
Net Out of Pocket	<u>\$7,089</u>	<u>\$8,365</u>	<u>\$9,624</u>	<u>\$10,895</u>
Equivalent per sq.ft. Office Rent	\$7.09	\$8.37	\$9.62	\$10.98

Notes

1. Investment tax credit can be passed on to the purchaser of commercial property. Tax credit applies only to the actual rehab costs and is 20% for those buildings at least 40 years old.
2. 15 years after credit deduction; straight line only.
3. Assumes 100% financed at 13%; 25-year amortization.
4. Assumes 50% tax bracket,
5. Tax credit, arbitrarily prorated over 4 years for ease of annual credit comparisons, is all available in first year.

OTHER FACTORS

PROJECT SCHEDULE

Our estimated construction period, including demolition, and clean-up is seven months. If designated, we would prefer to be ready for occupancy for the summer market of 1984. It follows, therefore, that our preferences for beginning construction would be seven months prior to May, 1984, or October 1983. If developer designation is made by July 1, 1983, a closing should be easily achievable by October 1, because of the straightforward financing plan.

PROPERTY TAXES

As we stated earlier, we plan to develop the buildings to their highest market value. Highest possible market value means highest property tax revenues to the City. If one assumes a market value of \$2,000,000 as condominiums, the annual property taxes on the project could be \$50,000 at 2½%. We will request a tax abatement during the construction period.

FINANCIAL ANALYSIS
OF THE
REDEVELOPMENT

DEVELOPER

ANALYST

FINANCIAL ANALYSIS

UNIT DESCRIPTION/MARKET VALUE ANALYSIS

(000) omitted

	<u>UNIT DESCRIPTION</u>	<u>SQ. FT.</u>	<u>MARKET PRICE¹</u>	<u>SUBSIDY*</u>	<u>SUBSIDIZED PRICE</u>
<u>72 Warren Ave.</u>					
<u>Level 1/0</u>	Unit 1	3 BR Duplex	1187 ²	95	
	2	1 BR + Study	810	65	
	*3	1 BR	730	58	20 38
	*4	4 BR Duplex	1123 ²	90	32 58
<u>Level 2</u>	Unit 5	2 BR +	846	68	
	6	1 BR + Study	810	65	
	*7	1 BR	700	56	20 36
	8	2 BR	796	64	
<u>Level 3</u>	Unit 9	2 BR +	846	68	
	10	2 BR + Study	810	65	
	11	1 BR	700	56	
	*12	2 BR	796	64	<u>22</u> 42
					<u>\$ 94</u>
<u>4-18 Clarendon St.</u>					
<u>Level 1</u>	Unit 1	Office	950	57	
	2	Office	950	57	
	3	Office	950	57	
	4	Office	950	57	
<u>Level 2</u>	Unit 5	3 BR	1050	84	
	*6	2 BR	980	78	27 51
	7	2 BR	980	78	
	*8	3 BR	1050	84	29 55
<u>Level 3</u>	Unit 9	3 BR	1050	84	
	10	2 BR	980	78	
	*11	2 BR	980	78	27 51
	12	3 BR	1050	84	
<u>Level 4</u>	Unit 13	3 BR	1050	84	
	14	2 BR	980	78	27
	15	2 BR	980	78	
	16	3 BR	1050	84	
					<u>\$ 110</u>
<u>TOTAL RESIDENTIAL</u>		<u>22,324</u>	<u>\$1788</u>	<u>\$204</u>	
<u>TOTAL OFFICE</u>		<u>3,800</u>	<u>228</u>		
<u>TOTAL MARKET VALUE</u>		<u>26,132</u>	<u>\$2018</u>		

* Subsidized Units; Subsidies 35% of market price

1. Market price based on \$80/sq.ft., residential; \$60/sq.ft. office
2. Nominal for pricing purposes, actual for unit 1 and 4 is 1528 and 1450 sq.ft. respectively.

PROFORMA STATEMENT OF DEVELOPMENT PROJECT

72 WARREN AVE.
 4-18 CLARENDON ST.
 \$ (000)

GROSS SALES

Residential-Market	\$ 1202
Residential-Subsidized	586
Office ..	230
TOTAL SALES PRICE	\$ 2018
LESS COMMISSIONS @ 6%	<u>121</u> - 86, CTD
NET SALES PRICE	\$ 1897

no custom
 no subsidies
 just

PROJECT COSTS

Construction Costs*	\$ 1080
Contingency	50
Architectural	60
Legal/Accounting	20
Developer	80
Interest & Other Finance	120
Misc./Other	11
	<u>1421</u>

GROSS MARGIN 476

Purchase Price from BRA

Land/Building Shells	146
Subsidies	204
	<u>350</u>

NET PROFIT

126

* Detailed Construction Costs Follow

FINANCIAL ANALYSIS

4-18 CLARENDON ST. - 72 WARREN AVE.

SAMPLE DEVELOPMENT PRO FORMA FOR CONDOMINIUMS(Estimates in 1983 Dollars using an
7% Annual Inflation Factor from 1982)

Acquisition Cost

Land	145,000	Cash	
Building	205,000	Subsidies	
Total			<u>\$350,000</u> 145,000

Construction Cost

New (\$ /GSF)		
Rehab (\$ /GSF)		
Site Preparation (\$ /GSF)		
Parking (\$ per space)		
Total		<u>\$1,080,000</u>

Related Costs

Architect/Engineering	<u>\$ 60,000</u>	1,005 50
Legal	<u>20,000</u>	
Accounting	<u>80,000</u>	
Developer	<u>5,000</u>	
Other Fees (please specify)	<u>120,000</u>	Outreach & Selection Fund, See Cash Flow
Construction Loan Interest (12 mos. @ 15% on \$)		Includes Carrying Costs
Real Estate Taxes (Constr. period)	<u>Request</u>	Abatement in Construction Period
Condominium Carrying Cost (Sale. Period)	<u>Above</u>	
Insurance	<u>6,000</u>	
Title	<u>Above</u>	
Total	<u>\$ 292,000</u>	

Contingency (5 % of \$1,000,000)

Total Development Cost \$1,722,000 - 1,562 50Equity Participation \$250,000
(Amount and % of Total Development Cost) 14%Condominium Development Costs/NSF TOTAL \$63/NSFCondominium Sales/NSF \$72/NSFGross Sales Proceeds (Subsidies \$205,000) \$2,018,000Less Marketing Fees (% 6 of Gross Sales Proceeds) (121,000)Less Development Costs (1,722,000)Net Profit (Before Taxes) 126,000Return on Equity 50%

FINANCIAL ANALYSIS

4-18 CLARENDON - 72 WARREN

COST OF OWNERSHIP PRO FORMA FOR CONDOMINIUM UNIT
 (Estimates in 1983 Dollars
 Using 7% Inflation Factor from 1982)

	<u>2BR</u>	<u>2BR SUBSIDIZED</u>
Average Unit Size (NSF)	<u>980</u>	<u>980</u>
Average Unit Price	<u>78,000</u>	<u>51,000</u>
Downpayment (\$20%)	<u>15,600</u>	<u>10,200</u>
Annual Common Area Charges	<u>\$600</u>	<u>600</u>
Annual Land Lease Payment (\$ /NSF)	<u>N/A</u>	<u>N/A</u>
Annual Real Estate Taxes	<u>2.5%</u>	<u>1,950</u>
Annual Mortgage Payment (13 % on \$ for 25 years)	<u>8,448</u>	<u>4,872</u>
Total Annual Cost of Ownership (Before-tax)	<u>\$10,998</u>	<u>\$6,747</u>
Total Monthly Cost of Ownership (Before-tax)	<u>\$916</u>	<u>\$562</u>

72 WARREN AVE.
4-18 CLarendon St.

CASH FLOW PROJECTION -- \$ (000) OMITTED

	MONTH											TOTAL	
	1	2	3	4	5	6	7	8	9	10	11	12*	TOTAL
<u>DISBURSEMENTS</u>													
CONSTRUCTION COSTS	150	150	150	150	150	150	150	200					
OTHER DEVELOPMENT COSTS	35	20	20	20	20	20	20	20	20	20	20	20	
INTEREST @ 15%		3	5	8	11	13	16	16	13	10	6	2	
TOTAL DISBURSEMENTS *	185	173	175	178	181	183	236	36	33	30	26	2	
<u>RECEIPTS</u>													
UNIT SALES-NET**									300	300	300	600	
CASH FLOW-PERIOD	(185)	(173)	(175)	(178)	(181)	(183)	(236)	264	267	270	274	598	
CASH FLOW CUMULATIVE	(185)	(358)	(533)	(711)	(892)	(1075)	(1311)	(1047)	(782)	(510)	(236)	362	
LOAN BALANCE	185	358	533	711	892	1075	1311	1047	780	510	236	0	

* Down Payment of \$150,000 not shown.

** Assumes \$204,000 of subsidies against market prices.

CONSTRUCTION COST ESTIMATES*
72 WARREN 4-18 CLARENDON

DESCRIPTION	PLANNING FACTORS	STANDARDS/UNITS/NOTES	WARREN	CLARENDON	TOTAL
1. Demolition General Conditions					\$50,000
2. Basement Slab	Partial	\$2.50/Sq. ft.		2,000 sq. ft.	4,800
3. Waterproofing					20,000
4. Floors	Hardwood \$5/sq. ft; Carpet w/underlay plywood \$3/sq. ft.				90,000
5. Sash	Double Hung, Double Glaze \$350/unit		\$42,000 120	\$30,450 87	72,450
6. Ceilings	G.W.B. \$1.00/sq. ft. 500 in 12 = 6000 sq. ft.		13,440	20,310	33,750
7. Walls, Int.	G.W.B. \$2.50/sq. ft. inc. studs				105,000
7A. Walls, Ext.	Insul. 1", \$2.50/sq. ft.		\$30,820 268 x 46	\$37,920 316 x 48	68,740
8. Doors, Int.	\$300/unit (Closet 1/2)		\$33,300 110	\$27,900 93	61,200
8A. Doors, Ext.	\$350/unit 22				7,700
9. Shopfront	\$10/sq. ft.			125 x 12	15,000
10. Stairs	\$100/riser				60,000
11. Fire escape	\$80/riser		\$16,560	\$14,560	31,120
12. Masonry Repair					5,000
13. Roof	\$3.00/sq. ft. incl. insul.				12,186
14. HVAC	\$2500/unit		12	16	70,000
15. Plumbing	\$750/fixture		\$42,000 56	\$50,000 56 + Rough	92,000

Continued.

DESCRIPTION	PLANNING FACTORS	STANDARDS/UNITS/NOTES	WARREN	CLARENDON	TOTAL
16. Electrical	\$3,000/unit incl. fixt.		12	12	72,000
17. Cabinets	\$120/lin.ft. - 20 ft. amt.				57,600
18. Appliances	\$2,200/unit x 24				52,800
 SUBTOTAL					 981,346
Contractor Profit @ 10%					 <u>98,100</u>
					 <u><u>\$1,079,446.</u></u>
CONSTRUCTION COST					

- * These cost estimates are made without a complete structural analysis. The developer, his architect, and tentative contractor inspected the building in December 1982.

These numbers were also tested against specific experience factors for all new interior rehab in similar projects by the developer and his tentative contractor in the South End and Back Bay. Against these experiences the costs appear reasonable.

DEVELOPER

MORTON L. HODIN

DEVELOPER

Mr. Hodin has been active in real estate for the past 10 years. During that time he has been associated with commercial real estate ventures and management in Pennsylvania and Connecticut, on a personal and corporate basis. During the past 4 years, Mr. Hodin has become active in residential development in the South End. He has successfully rehabilitated 88 Chandler St., 71 Appleton St., 140 St. Botolph St., and participated in a redesign project at 40 Concord Square. In addition, he has recently acquired 114 Chandler St. and 49 Warren Ave. for future redevelopment. Mr. Hodin has exhibited a continuing interest in the future of the South End as demonstrated by his recent unsolicited proposal to redevelop the National Theater.

As one can see from the resume on the following page, Mr. Hodin brings over 20 years of management experience to the project. His diverse background in planning, finance, and marketing, in addition to real estate, brings an added dimension to the timely and successful completion of projects such as this.

MORTON L. HODIN
1616 Soldiers Field Road
Boston, MA 02135
(617) 783-3400

1979-Present **PRESIDENT, RESOURCE COMMUNICATIONS INC.**
Resource Communications Inc. publishes and distributes adult learning systems and provides new business planning and marketing services in media-based, continuing education. The company's focus is to assemble the financial, technical, and marketing resources necessary to produce materials in specialized professional education markets. Current projects include marketing health promotion and employee assistance programs to business and industry; production and distribution of continuing education programs for physicians and human services professionals; and the sales representation in New England for 20 leading producers of management training films and videotapes.

1972-Present **INDEPENDENT REAL ESTATE DEVELOPER**
For the past 10 years, served as an officer and director of two real estate companies which are involved in commercial and residential development.

1971-1979 **VICE PRESIDENT AND TREASURER, SELECTIVE EDUCATIONAL EQUIPMENT, INC.**
Selective Educational Equipment (SEE), Inc. published and distributed innovative educational products to the elementary school marketplace. Responsible for the marketing, administration and financial management for this company whose customer base included over 5000 U.S. school districts; acquired and developed new curriculum materials; conducted training workshops in inquiry teaching methods to thousands of teachers in over 30 states.

1967-1971 **DIVISION MANAGER, DATA TECHNOLOGY DIVISION, THE BUNKER RAMO COMPANY**
Data Technology designed, produced and marketed state-of-the-art position and control systems. Planned and implemented business and financing strategies to develop industrial market applications for the company's military and scientific products. Prior to its acquisition by Bunker Ramo, served as the company's Vice President of Manufacturing and then President.

1964-1967 **INDUSTRIAL ENGINEER, CAMERA WORKS DIVISION, THE EASTMAN KODAK COMPANY**
High volume fabrication and assembly of Instamatic Cameras. Provided manufacturing and industrial engineering services; introduced group incentive systems in manufacturing; created and instructed management development programs in Operations Research.

1962-1964 **LIEUTENANT, U.S. ARMY TRANSPORTATION ENGINEERING AGENCY**
Conducted and published master planning studies of major Department of Defense installations; received Army Commendation Medal.

1957-1962 **CORNELL UNIVERSITY**
Attended five-year program in Mechanical Engineering at Cornell University; received BME degree in 1962.

FINANCIAL STATEMENTS, DEVELOPER*

1. Morton L. Hodin, Personal Statement, Jan. 1, 1983
2. Morton L. Hodin, Form 1040, p. 1., year ending 12/31/81
3. ML&S Realty Co., Balance Sheet, 12/31/81
4. HUD Disclosure Forms 6004 Part I and II

* My personal income statement submitted here is not audited. However, a current certified statement will be provided if required at the time of preliminary developer designation. Form 1040 for the year ending 12/31/82 will be submitted when prepared, approximately 4/1/82. I am the principal stockholder of ML&S Realty Co. and its subsidiary Resource Communications, Inc. This corporation is available for additional funds or letters of credit. Further, additional sources of financial backing can be made available if required.



M.L. & S. REALTY CO. AND SUBSIDIARY
 CONSOLIDATED BALANCE SHEET
 DECEMBER 31, 1981

A S S E T S

CURRENT ASSETS

Cash	\$ 14,063.
Short Term Investments	435.
Accounts Receivable (Note 2)	8,288.
Marketable Securities (Note 3)	131,913.
Inventory	9,972.
Loans Receivable-Officers	55,650.
Prepaid Expenses	3,995.
Prepaid Corporate Taxes	9,927.
Refundable Federal Taxes (Note 4)	20,404.
Current Portion of Other Assets	27,581.
Other Current Assets	<u>615.</u>
TOTAL CURRENT ASSETS	\$282,843.

PROPERTY AND EQUIPMENT (Note 2)

Land	\$223,318.
Buildings	666,472.
Auto	-0
Furniture and Fixtures	13,570.
Equipment	<u>8,318.</u>
Total	\$911,678.
Less: Accumulated Depreciation	<u>534,778.</u>
NET PROPERTY AND EQUIPMENT	376,900.

OTHER ASSETS

Organization Costs	\$ 1,065.
Ability Deposits	1,372.
Deferred Development Costs (Note 2)	<u>66,324.</u>
TOTAL OTHER ASSETS	<u>68,761.</u>
TOTAL ASSETS	<u>\$728,504.</u>

" accompanying letter and notes are an integral part of these statements."

M.L. & S. REALTY CO. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEET
DECEMBER 31, 1981

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES

Current Portion of Long Term Liabilities	\$ 20,400.
Accounts Payable	18,070.
Accrued and Withheld Payroll Taxes	3,943.
Loan Payable-Officer	<u>20,000.</u>

TOTAL CURRENT LIABILITIES \$ 62,413.

LONG TERM LIABILITIES (Note 5)

Mortgage Payable	\$ 29,327.
Less: Current Portion	<u>20,400.</u>

TOTAL LONG TERM LIABILITIES 8,927.

STOCKHOLDERS' EQUITY

Common Stock \$100. Par, Authorized 1,250 Shares, Issued and Outstanding 1,233 Shares	\$123,300.
Retained Earnings	<u>533,864.</u>

TOTAL STOCKHOLDERS' EQUITY 657,164.

TOTAL LIABILITIES AND
STOCKHOLDERS' EQUITY

\$728,504.

The accompanying letter and notes are an integral part of these statements."

REDEVELOPER'S STATEMENT FOR PUBLIC DISCLOSURE¹

A. REDEVELOPER AND LAND

1. a. Name of Redeveloper: MORTON L. HODIN
- b. Address and ZIP Code of Redeveloper: 1616 Soldiers Field Road
Boston, MA 02135
- c. IRS Number of Redeveloper: 160-32-9121
2. The land on which the Redeveloper proposes to enter into a contract for, or understanding with respect to, the purchase or lease of land from

BOSTON REDEVELOPMENT AUTHORITY

(Name of Local Public Agency)

in SOUTH END URBAN RENEWAL

(Name of Urban Renewal or Redevelopment Project Area)

in the City of Boston, State of Massachusetts,
is described as follows²

4-18 Clarendon St.
72 Warren Ave.

3. If the Redeveloper is not an individual doing business under his own name, the Redeveloper has the status indicated below and is organized or operating under the laws of _____:

- A corporation.
- A nonprofit or charitable institution or corporation.
- A partnership known as _____.
- A business association or a joint venture known as _____.
- A Federal, State, or local government or instrumentality thereof.
- Other (explain) _____.

4. If the Redeveloper is not an individual or a government agency or instrumentality, give date of organization:

5. Names, addresses, title of position (if any), and nature and extent of the interest of the officers and principal members, shareholders, and investors of the Redeveloper, other than a government agency or instrumentality, are set forth as follows:

¹Space on this form is inadequate for any requested information, it should be furnished on an attached page which is referred under the appropriate numbered item on the form.

²Any convenient means of identifying the land (such as block and lot numbers or street boundaries) is sufficient. A description by metes and bounds or other technical description is acceptable, but not required.

- a. If the Redeveloper is a corporation, the officers, directors or trustees, and each stockholder owning more than 10% of any class of stock¹.
- b. If the Redeveloper is a nonprofit or charitable institution or corporation, the members who constitute the board of trustees or board of directors or similar governing body.
- c. If the Redeveloper is a partnership, each partner, whether a general or limited partner, and either the percent of interest or a description of the character and extent of interest.
- d. If the Redeveloper is a business association or a joint venture, each participant and either the percent of interest or a description of the character and extent of interest.
- e. If the Redeveloper is some other entity, the officers, the members of the governing body, and each person having an interest of more than 10%.

NAME, ADDRESS, AND ZIP CODEPOSITION TITLE (if any) AND PERCENT OF INTEREST OR
DESCRIPTION OF CHARACTER AND EXTENT OF INTEREST

6. Name, address, and nature and extent of interest of each person or entity (not named in response to Item 5) who has a beneficial interest in any of the shareholders or investors named in response to Item 5 which gives such person or entity more than a computed 10% interest in the Redeveloper (for example, more than 20% of the stock in a corporation which holds 50% of the stock of the Redeveloper; or more than 50% of the stock in a corporation which holds 20% of the stock of the Redeveloper):

NAME, ADDRESS, AND ZIP CODEDESCRIPTION OF CHARACTER AND EXTENT OF INTEREST

7. Names (if not given above) of officers and directors or trustees of any corporation or firm listed under Item 5 or Item 6 above:

RESIDENTIAL REDEVELOPMENT OR REHABILITATION

(The Redeveloper is to furnish the following information, but only if land is to be redeveloped or rehabilitated in whole or in part for residential purposes.)

¹ A corporation is required to file periodic reports with the Federal Securities and Exchange Commission under Section 13 of the Securities Exchange Act of 1934, so state under this Item 5. In such case, the information referred to in this Item 5 and in Items 6 and 7 is not required to be furnished.

1. State the Redeveloper's estimates, exclusive of payment for the land, for:

Construction Costs Only

- Total cost of any residential redevelopment Est. 85% of Total Constr. Cost... \$ 925,000
- Cost per dwelling unit of any residential redevelopment.....24 Units \$ 38,542
- Total cost of any residential rehabilitation \$
- Cost per dwelling unit of any residential rehabilitation \$

2. a. State the Redeveloper's estimate of the average monthly rental (if to be rented) or average sale price (if to be sold) for each type and size of dwelling unit involved in such redevelopment or rehabilitation:

TYPE AND SIZE OF DWELLING UNIT	ESTIMATED AVERAGE MONTHLY RENTAL	ESTIMATED AVERAGE SALE PRICE
		\$
1 BR	730 sq.ft.	\$ 60,000
1 BR Subsidized	730 sq.ft.	38,000
2 BR	900 sq.ft.	75,000
2 BR Subsidized	900 sq.ft.	50,000
3 BR	1,000 sq.ft.	85,000
3 BR Subsidized	1,000 sq.ft.	55,000
4 BR Subsidized	1,300 sq.ft.	58,000

b. State the utilities and parking facilities, if any, included in the foregoing estimates of rentals:

No parking facilities.

c. State equipment, such as refrigerators, washing machines, air conditioners, if any, included in the foregoing estimates of sales prices: Refrigerators, stoves, dishwashers, heat pump systems, disposals.

CERTIFICATION

I (We) MORTON L. HODIN certify that this Redeveloper's Statement for Public Disclosure is true and correct to the best of my (our) knowledge & belief. 2

Re: 1/31/83

Dated: _____

Morton L. Hodin

Signature

Signature

Title

Title

6 Soldiers Field Road, Boston, MA 02135

Address and ZIP Code

Address and ZIP Code

The Redeveloper is an individual, this statement should be signed by such individual; if a partnership, by one of the partners; if a corporation or other entity, by one of its chief officers having knowledge of the facts required by this statement. Penalty for False Certification: Section 1001, Title 18, of the U.S. Code, provides a fine of not more than \$10,000 or imprisonment of not more than five years, or both, for knowingly and willfully making or using any false writing or document, knowing the same to contain any false, fictitious or fraudulent statement or entry in a matter within the jurisdiction of any Department of the United States.

REDEVELOPER'S STATEMENT OF QUALIFICATIONS AND FINANCIAL RESPONSIBILITY

For Confidential Official Use of the Local Public Agency and the Department of Housing and Urban Development. Do Not Transmit to HUD Unless Requested or Item 8b is Answered "Yes."

1. a. Name of Redeveloper: MORTON L. HODIN
- b. Address and ZIP Code of Redeveloper: 1616 Soldiers Field Road
Boston, MA 02135
2. The land on which the Redeveloper proposes to enter into a contract for, or understanding with respect to, the purchase or lease of land from

BOSTON REDEVELOPMENT AUTHORITY

(Name of Local Public Agency)

in SOUTH END URBAN RENEWAL

(Name of Urban Renewal or Redevelopment Project Area)

in the City of Boston, State of Massachusetts
is described as follows:

4-18 Clarendon St.
72 Warren Ave.

3. Is the Redeveloper a subsidiary of or affiliated with any other corporation or corporations or any other firm or firms?

YES NO

If Yes, list each such corporation or firm by name and address, specify its relationship to the Redeveloper, and identify the officers and directors or trustees common to the Redeveloper and such other corporation or firm.

4. a. The financial condition of the Redeveloper, as of Jan. 1, 19 83,
is as reflected in the attached financial statement.

(NOTE: Attach to this statement a certified financial statement showing the assets and the liabilities, including contingent liabilities, fully itemized in accordance with accepted accounting standards and based on a proper audit. If the date of the certified financial statement precedes the date of this submission by more than six months, also attach an interim balance sheet not more than 60 days old.)
Note: Certified Statement to follow (unaudited statement plus 1040)

- b. Name and address of auditor or public accountant who performed the audit on which said financial statement is based:

5. If funds for the development of the land are to be obtained from sources other than the Redeveloper's own funds, a statement of the Redeveloper's plan for financing the acquisition and development of the land:

Sources and amount of cash available to Redeveloper to meet equity requirements of the proposed undertaking

a. In banks:

<u>NAME, ADDRESS, AND ZIP CODE OF BANK</u>	<u>AMOUNT</u>
Coolidge Bank & Trust Company Watertown, MA 02154	\$ 25,000

b. By loans from affiliated or associated corporations or firms:

<u>NAME, ADDRESS, AND ZIP CODE OF SOURCE</u>	<u>AMOUNT</u>
ML&S Realty Co. 701 Taylor Ave., Scranton, PA 18503	\$ 50,000

c. By sale of readily salable assets:

<u>DESCRIPTION</u>	<u>MARKET VALUE</u>	<u>MORTGAGES OR LIENS</u>
Bache Money Market Assets	\$ 90,000	\$
Mortgage Existing Properties	85,000	
See Financial Statements		

Names and addresses of bank references:

William Mullin	Provident Institution For Savings	30 Winter St., Boston, MA
Leo Floyd	Coolidge Bank and Trust Co.	Watertown, MA

a. Has the Redeveloper or (if any) the parent corporation, or any subsidiary or affiliated corporation of the Redeveloper or said parent corporation, or any of the Redeveloper's officers or principal members, shareholders or investors, or other interested parties (as listed in the responses to Items 5,6, and 7 of the *Redeveloper's Statement for Public Disclosure* and referred to herein as "principals of the Redeveloper") been adjudged bankrupt, either voluntary or involuntary, within the past 10 years? YES NO

If Yes, give date, place, and under what name.

b. Has the Redeveloper or anyone referred to above as "principals of the Redeveloper" been indicted for or convicted of any felony within the past 10 years? YES NO

If Yes, give for each case (1) date, (2) charge, (3) place, (4) Court, and (5) action taken. Attach any explanation deemed necessary.

a. Undertakings, comparable to the proposed redevelopment work, which have been completed by the Redeveloper or any of the principals of the Redeveloper, including identification and brief description of each project and date of completion:

88 Chandler St. Boston	Complete Residential Rehabilitation	10/80
71 Appleton St. Boston	Complete Residential Rehabilitation	5/81
140 St. Botolph St. Boston	Complete Residential Rehabilitation	10/81

b. If the Redeveloper or any of the principals of the Redeveloper has ever been an employee, in a supervisory capacity, for construction contractor or builder on undertakings comparable to the proposed redevelopment work, name of such employee, name and address of employer, title of position, and brief description of work:

c. Other federally aided urban renewal projects under Title I of the Housing Act of 1949, as amended, in which the Redeveloper or any of the principals of the Redeveloper is or has been the redeveloper, or a stockholder, officer, director or trustee, or partner of such a redeveloper:

d. If the Redeveloper or a parent corporation, a subsidiary, an affiliate, or a principal of the Redeveloper is to participate in the development of the land as a construction contractor or builder:

- a. Name and address of such contractor or builder:
- b. Has such contractor or builder within the last 10 years ever failed to qualify as a responsible bidder, refused to enter into a contract after an award has been made, or failed to complete a construction or development contract? YES NO
If Yes, explain:
- c. Total amount of construction or development work performed by such contractor or builder during the last three years: \$ _____.
- d. Construction contracts or developments now being performed by such contractor or builder:

IDENTIFICATION OF
CONTRACT OR DEVELOPMENT

LOCATION

AMOUNT

DATE TO BE
COMPLETED

\$

e. Outstanding construction-contract bids of such contractor or builder:

AWARDING AGENCYAMOUNT
\$DATE OPENED

Brief statement respecting equipment, experience, financial capacity, and other resources available to such contractor or builder for the performance of the work involved in the redevelopment of the land, specifying particularly the qualifications of the personnel, the nature of the equipment, and the general experience of the contractor:

a. Does any member of the governing body of the Local Public Agency to which the accompanying bid or proposal is being made or any officer or employee of the Local Public Agency who exercises any functions or responsibilities in connection with the carrying out of the project under which the land covered by the Redeveloper's proposal is being made available, have any direct or indirect personal interest in the Redeveloper or in the redevelopment or rehabilitation of the property upon the basis of such proposal? YES NO

If Yes, explain.

b. Does any member of the governing body of the locality in which the Urban Renewal Area is situated or any other public official of the locality, who exercises any functions or responsibilities in the review or approval of the carrying out of the project under which the land covered by the Redeveloper's proposal is being made available, have any direct or indirect personal interest in the Redeveloper or in the redevelopment or rehabilitation of the property upon the basis of such proposal? YES NO

If Yes, explain.

Statements and other evidence of the Redeveloper's qualifications and financial responsibility (other than the financial statement referred to in Item 4a) are attached hereto and hereby made a part hereof as follows:

CERTIFICATION

I (We) MORTON L. HODIN
that this Redeveloper's Statement of Qualifications and Financial Responsibility and the attached evidence of Redeveloper's qualifications and financial responsibility, including financial statements, are true and correct to the best of my (our) knowledge and belief.²

1/31/83

Dated: _____

MORTON L. HODIN

Signature

Signature

Title

Title

6 Soldiers Field Rd. Boston, MA 02135

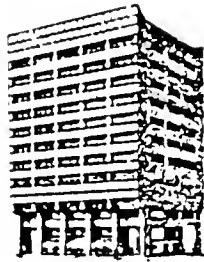
Address and ZIP Code

Address and ZIP Code

If Redeveloper is a corporation, this statement should be signed by the President and Secretary of the corporation; if an individual, by such individual; if a partnership, by one of the partners; if an entity not having a president and secretary, by one of its chief officers having knowledge of the financial status and qualifications of the Redeveloper.

Penalty for False Certification: Section 1001, Title 18, of the U.S. Code, provides a fine of not more than \$10,000 or imprisonment for not more than five years, or both, for knowingly and willfully making or using any false writing or document, knowing same to contain any false, fictitious or fraudulent statement or entry in a matter within the jurisdiction of any Department of the United States.

APPENDIX



The Provident

Institution for Savings

30 WINTER STREET, BOSTON, MASSACHUSETTS 02105 617/423-9600

January 27, 1983

Mr. Morton L. Hodin
7 Todd Road
Lexington, MA 02173

Dear Mr. Hodin,

I have reviewed your proposal to convert the BRA owned property at 4-18 Clarendon Street and 72 Warren Street. Quite frankly, I think your proposal makes a great deal of sense. The concept of using the value in the building to subsidize the acquisition cost for a percentage of the new homebuyers according to MHFA guidelines is particularly appealing. I was also happy to hear that you have included the local neighborhood group in your plans.

The Provident will be most happy to entertain an application for construction and end loan financing for this project. In addition, we are willing to work with you on developing guidelines and selection criteria for the subsidized buyers.

I look forward to working with you on this exciting project.

Sincerely yours,

William M. Mullin
Assistant Vice President

WMM/pmc

OTHER OFFICES:

36 TEMPLE PLACE • CHARLES RIVER PLAZA SHOPPING CENTER • 43 KNEELAND STREET • 70 FEDERAL STREET
15 PRUDENTIAL CENTER PLAZA • 25 STATE STREET • 131 STATE STREET • 306 HANOVER STREET • 423 WASHINGTON STREET, BRIGHTON

BETTY GIBSON ASSOCIATES, INC.

558 TREMONT STREET • BOSTON, MASSACHUSETTS 02118 • TELEPHONE (617) 426-6900 – 1245

January 26, 1983

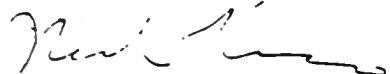
Boston Redevelopment Authority
1 City Hall Square
Boston, MA 02201

Gentlemen:

I am writing this letter as a recommendation for Mortin L. Hodin. During the four years that I have known Mr. Hodin, he has demonstrated a keen sense of the residential housing market in the south end. The uniqueness of his designs and quality of his construction have consistently yielded among the highest per square foot prices in the area.

In my dealings with Mr. Hodin, he has been fair, honest, and sensitive to the needs of the community. I believe any project developed by Mort Hodin will be well-managed, completed efficiently and to the highest standards.

Sincerely,



Nick Russo

NR/nw

E. RONDEAU • REAL ESTATE
SOUTH END PROPERTIES

69 APPLETON STREET, BOSTON, MASS. 02116

January 26, 1983

Boston Redevelopment Authority
City Hall Plaza
Boston, Mass.

Gentlemen:

We would like to recommend to you Mort Hodin, who has been active developing buildings in our neighborhood in the South End.

Through the years of our association he has displayed a high quality of workmanship in his projects and been able to work within and maintain the character of the neighborhood.

We certianly would consider any future development of his to be an asset to the neighborhood.

Sincerely,

A.E. Rondeau
Albert E. Rondeau



ELLIS NEIGHBORHOOD ASSOCIATION, INCORPORATED
52 Chandler Street Boston, MA 02116 542-5891

January 16, 1983

Mr. Morton L. Hodin
1616 Soldiers Field Road
Brighton, MA 02135

Dear Mr. Hodin:

This is to thank you for presenting your proposal for the redevelopment of the Clarendon Street and Warren Avenue properties to our committee on January 13th. The committee will report on the meeting to the board on January 25th.

As committee members begin to digest your material and reflect on your plan, we are finding areas that require greater clarification or amplification. While some members have considerable experience in preservation and design review, we are weak in our knowledge of development financing. In addition, some of the issues which have already come to mind must be addressed by the Boston Redevelopment Authority.

We appreciate the cooperative spirit with which you have approached the Association, and we will stand ready to work with you to achieve a successful project should you receive the BRA designation.

Sincerely,

ELLIS NEIGHBORHOOD ASSOCIATION, INC.

Carolyn A. Critter

Carolyn A. Critter
Chairwoman

ETTY GIBSON ASSOCIATES, INC.

REMONT STREET • BOSTON, MASSACHUSETTS 02118 • TELEPHONE (617) 426-6900 - 1245

January 26, 1983

orton L. Hodin
616 Soldiers Field Rd.
oston, MA 02135

ear Mort:

This is to confirm our previous discussions regarding the emerging market for first-class quality office condominiums in the South End. Our office has had numerous inquiries from local professionals regarding the possible availability of such space. Furthermore, rehabilitation costs for older buildings carry an investment tax credit which would benefit the buyer, a fact about which these professionals are knowledgeable. I would encourage you to consider the appropriateness of this use in your on-going evaluations.

Sincerely,



Nick Russo

/nw

GENERAL SPECIFICATIONS FOR CONDOMINIUMS

GENERAL SPECIFICATIONS FOR CONDOMINIUMS
FOR 72 WARREN AVE. 4-18 CLARENDON ST.

TYPICAL SPECIFICATIONS

GENERAL:

Floors

Type - Select Red Oak Standard Installation,
sand & seal, poly; Bedrooms - carpet
w/underlay plywood; kitchens and
bath - quarry tile.

Walls

Type - As Indicated on Floor Plan
Brick - sandblasted clean and Val Oi
Type - Gypsum Wallboard; high use area-blueboard with
skimcoat plaster.
Finish - Flat white & Semi-gloss kitchens & baths

Ceilings

Type - Gypsum Wallboard
Finish - ceiling white

Trim

Type - baseboard - 3½" colonial pine
Finish - stain and poly or paint - semi-gloss
Type - door trim 2½" - square edge
Finish - stain and poly

Windows

Type - North American Mfg. - New Englander
Double Insulated w/screen
Finish Ext. - Caulk & Paint
Finish Int. - Sheetrock Return Top & Sides - Oak Sill

BUYER NOTES

Doors

Type - Brosco Hollow Core or Solid Core as Indicated -
 Luau (for paint) or Birch (for Stain)
 Hardware - Schlage Brass Finish Passage & Entry Sets
 & Deadbolts as Standard
 Finish - stain and poly or paint semi-gloss.

Electrical

Type - To current codes and standard practice

Fixtures

Type - Recessed or hanging per F.P.
 Recessed - 6" white trim for 150 w. Flood included
 Hanging - \$ allowance to buyer each unit.

Insulation

Type - Ceiling Ins. floors 2/3 - R-19 fiberglass foil-backed
 & sound deadening board
 Type - Roof - R-19 fiberglass foil-backed
 Type - Ext. Walls - R-13 - High Density Fiberglass
 Foil backed w/6 mil plastic seal

Fireplace

Type - Brick and firebrick construction with Damper &
 8 x 8 flue liner
 Finish - existing mantles where possible refinished
 stain and poly - 16" tile hearth

Closets Interior

Type - Gypsum Wall Board
 Finish - "Closet Swirl" - flat whitewalls

Heating/Air Conditioning

Type - Borg-Warner Deluxe climaster IV gas furnace
w/ York maximizer heat pump 24,000 BTU or
30,000 BTU & necessary controls & ducting or
equivalent.

KITCHEN

Gas Appliances or Equivalent

Type - Gas range Caloric self-clean #RSP366 30"
Type - Range hood - broan ducted
Type - Refrigerator - Admiral 30" / 17 Cu. ft. ref.
Type - Dishwasher - Admiral / 8 button
Type - Disposal $\frac{1}{2}$ H.P. In Sinkerator w/wall switch
Finish - White

Cabinets

Type - Brammer Mfg. Bishop Hill or Regency Oak
five quarter or equal

Countertops

Type - Formica matte white

Sink

Type - American Standard stainless steel 25x22 w/Delta
Single lever faucet & spray

BATHROOM:

Pictures

Type - American Std. Tub w/ Simmons Temptrol shower
fixture
Type - American Std. water closet
Type - American Std. 20x16 oval self rimming sinks (2)
w/Delta single lever faucet

Finish - Bone color
Type - Medicine cabinet \$ buyer allowance

Tile

Type - American Olean Bone $4\frac{1}{2}$ x $4\frac{1}{4}$ wall tile - tub
surround
Type - American Olean Primitive Glacier white floor

MEMORANDUM

TO: David Trietsch, Boston Redevelopment Authority
FROM: Morton L. Hodin, Developer
SUBJECT: Resale of Subsidized Condominiums
DATE: July 25, 1983

The purpose of the market subsidies in our Redevelopment Proposal is to make home ownership available to those moderate-income people who have been by-passed from market housing over the years because of construction costs and high interest rates, and who, at the same time, are not eligible for low income housing.

As part of our proposal we included an Outreach and Selection Plan and a Fund to support that Plan to assure those of moderate income, long-time South End residents, and/or displaced households would have a reasonable opportunity to be selected for the subsidized units. We have previously indicated our willingness to receive input and collaborate with neighborhood groups to assure an effective and equitable selection process.

Just as important as awareness and selection will be the provisions that affect the subsidized units on resale. We have stated in the rationale for our plan that one of the strengths of the ownership approach for redevelopment is the long term stability of the units' use.

We propose to control the resale process of the units over time by the creation of a CLARENDON/WARREN SUBSIDIZED UNIT OWNERSHIP TRUST. The provisions of the Trust are intended to assure the continuity of the units as subsidized units, their availability to the intended population of potential buyers, and to prevent speculation or unreasonable profits by owners.

OUTLINE

CLARENDON/WARREN SUBSIDIZED UNIT OWNERSHIP TRUST

PROPOSED TRUSTEE: The Provident Institute for Savings (or equivalent)

PURPOSE OF THE TRUST:

The purpose of the Clarendon/Warren Subsidized Unit Trust is to assure the orderly resales of subsidized condominium units to buyers and to prevent speculation.

MAJOR PROVISIONS OF PROPOSED TRUST:

- A. Subsidized unit owners shall notify the Trust of their intention to sell a unit.
- B. The Trust shall have an assignable option to purchase any subsidized unit upon notification that the unit is for sale.
- C. The option price for each unit at resale shall be determined by provisions in paragraph "X" of the Trust.
- D. The Trust shall have up to 60 days after sale notification to give its intention to exercise the option, and up to 180 days to exercise said option.
- E. The option to purchase any specific unit shall be assignable to a "Qualified New Buyer."
- F. The Trustee shall maintain a ranked waiting list of "Potential Qualified New Buyers."
- G. The process of qualifying new buyers is shown in paragraph "Y".
- H. The BRA shall review the Qualification Process.
- I. The initial expenses of the Trust shall be funded by a portion of the Selection Fund. On going expenses shall be borne by sellers as part of a trust fee at resale.

TRUSTEE OPTION/Price of Subsidized Units at Resale

If owner has lived in unit less than 5 years

If an owner intends to sell a unit in which he has lived less than five years then the owner shall receive appreciation only on his cash investment value.

The appreciation rate on his cash investment shall be limited to changes in the consumer price index (CPI). In addition the seller of a subsidized unit shall be required to pay a trust fee, of not more than 1% of the sales price to the Subsidized Unit Ownership Trust. (Seller funds trust expense at resale.)

$$\text{SALES PRICE} = \text{PURCHASE PRICE} \left(\frac{\text{CPI new} - 1}{\text{CPI old}} \right) \times \text{PURCHASE PRICE}$$

$$\text{DP\%} = \frac{\text{Down payment}}{\text{Subsidized Purchase Price}}$$

If an owner has lived in a unit more than 5 years but less than 15

This owner receives appreciation on the full subsidized price of his unit. The appreciation rate is limited to changes in the CPI.

$$\text{SALES PRICE} = \frac{\text{CPI new}}{\text{CPI old}} \times \text{PURCHASE PRICE}$$

If owner has lived in unit more than 15 years

Trustee option expires. Owner is free to sell unit at market on resale.

WAITING LIST OF POTENTIAL QUALIFIED NEW BUYERS

- A. The trust shall maintain a waiting list of potential qualified new buyers.
- B. This list shall not exceed (25) potential candidates.
- C. An original waiting list shall be submitted to the Trustee. The original waiting list shall be created as part of the first-owner selection process. The order of the original list shall be based on the selection lottery of candidates in the most preferred group. The lowest 25 numbers not selected as first-owners shall be the original waiting list in rank.
- D. The Trustee shall maintain the waiting list in the following manner:
 - 1. The candidates on the waiting list shall be notified of their standing on the list at the initialization of the Trust.

2. The Trustee shall be required to contact the waiting list by mail every three years. An affirmative response is required by potential candidates that they are not now home owners and that they still wish to be maintained on the waiting list.
3. Candidates shall be required to notify the Trustee of any change of address.
4. If at any time the waiting list shall drop below ten (10) the Trustee shall notify by letter the following organizations that new applications for the waiting list are being accepted. Said application to the waiting list shall be an affidavit that the applicant meets the then stated MIFIA income guidelines. Examples of notified organizations:

Ellis Neighborhood Association
Mayor's Office for Housing
Organization 3 ?
Organization 4 ?
Organization 5 ?

New applications shall then be subject to lottery with the lowest numbers chosen to raise the list to 25.

QUALIFICATION OF NEW BUYERS

Upon notification that a subsidized unit is for sale, the Trustee shall immediately notify the three highest ranking members of the "potential candidates waiting list" that a unit is available. Said candidates shall respond within 10 days stating their interest, and within 5 additional days with a completed credit application.

The trustee shall then qualify the ranking candidate with regard to its own credit standards, current MIFIA moderate income guidelines, and verification of first-time home ownership status.

The Trustee shall submit said approved application and qualification to the BRA for review. Unless the BRA shall respond with a negative review within 15 days, the new Buyer shall be considered approved.

Morton Hodin, Developer - Clarendon/Warren

1. Development Team:

Morton L. Hodin, 1616 Soldiers Field Road, Boston
Jack Bialosky, 304 Beacon Street, Boston, Architect

2. Unit Description

- a. number: 28
- b. type: condominiums
- c. mix and size: 24 residential, 4 commercial offices, 6 1-Brm., 10 2-Brm., 7 3-Brm., and 1 4-Brm.
- d. number below market: 8 (4 in each building) 2 1-Brm., 3 2-Brm., 2 3-Brm., and 1 4-Brm.
- e. occupancy cost: \$80.00 sq.ft. market price; \$52.00 sq.ft. below market; average 2-Brm.: market \$916.00 mo., below market \$562 mo.

3. Costs

- a. TDC: \$1,567,000
- b. CC: 1,225,000 (\$38.50 GSF)
- c. SC: 342,000
- d. Devel. Fee: 80,000

4. Financial Information

- a. Equity participation: \$250,000
- b. Return on Equity: 50%
- c. Financing: \$800,000 at 15% for 1 year
- d. Acquisition price: \$145,000
- e. Subsidy: an imputed \$205,000 writedown (value transfer) divided among 8 units such that these units are subsidized to 65% of market value. NDF may be used to make up downpayment shortfalls.

5. Tenant Selection Plan:

An outreach effort utilizing local press, community groups (Ellis), referrals and BRA. Preselected guidelines with blind scoring for entry into a qualifying pool where upon a lottery would select 1st batch of applicants. A developer funded budget to supervise this and prepay credit and mortgage application fees.

6. Comment:

This is a thoroughly prepared and very impressively executed proposal.

Morton Hodin, Developer (continued)

A. Strengths

(1) This proposal's greatest single strength is its simplicity, and therefore, achievability. By using a straight forward market approach, Hodin calculates he can afford to purchase the shells for \$350,000 (their implicit market value for the purposes of this proposal); renovate the property and sell for a profit using \$80.00 NSF as a market price. Value transfer is simply a one time, writedown of purchase price which is transferred in full to the benefit of buyers through an initial reduction in purchase price. Hodin calculates this reduction to be 35%.

If you get past the jargon, Hodin is simply saying that the project is feasible under current market conditions. The extent to which the city is willing to forego disposition receipts is the extent to which this dollar benefit can be transferred to a moderate income buyer.

(2) Hodin has done a thorough financial analysis of costs, individually itemized each unit's size, price and location. Identified which units will be subsidized and ascertained that each of these units will be affordable to households which fall into MHFA moderate income guidelines.

(3) This is the only proposal which has made more than a perfunctory effort to deal with tenant selection. The plan does what the city wants. It actively seeks out target households, and attempts to score them objectively. Hodin provides operating funds to pay for this effort, as well.

(4) The mix seems good and provides generously sized family units. It is the only proposal providing a 4 bedroom unit, and surprisingly calls for seven 3 bedroom units!

(5) The design seems imaginative and carefully worked out with side entrances to the fire station replicating a rowhouse motif. (The entryway, awning-like marquees are something else, however!)

(6) The lender's letter of interest is very strong, not at all perfunctory as most are, and shows that the lender has read and digested the proposal.

(7) The proposal calls for restrictive covenants and safeguards to give long-term stability to the moderate income units. It also "guarantees" the price of the below market units as part of the developers risk.

Morton Hodin, Developer (continued)

B. Weaknesses

- (1) The number of below market units is less than most of his competitors. It is possible to increase this by another 2-4 units if the city is willing to take less than \$145,0000 as an acquisition price. This would seem advisable since Hodin's offer is significantly above his competitors.
- (2) Hodin wants a tax break during the period of construction.
- (3) This is a much larger project than anything else Hodin has done. It is not clear where his equity is coming from. He has some cash, however, and is the only developer to include his IRS 1040 form. Further information is needed.
- (4) Hodin's development costs are somewhat lower than his competitors, and may therefore be overly optimistic. The accuracy of his estimates effect the final costs to the unit owners, and the feasibility of meeting the programmatic goals.
- (5) The level of amenities seem slightly less than with some competing proposals. Someone might want to check out the workmanship on his previous projects. Less expensive finish work, however, might account for his lower costs.

FINANCIAL ANALYSIS

4-18 CLARENDON ST. - 72 WARREN AVE.

SAMPLE DEVELOPMENT PRO FORMA FOR CONDOMINIUMS
 (Estimates in 1983 Dollars using an
 7% Annual Inflation Factor from 1982)

Acquisition Cost

Land	145,000	Cash	
Building	205,000	Subsidies	
Total			<u>\$350,000</u>

Construction Cost

New (\$ /GSF)			
Rehab (\$ /GSF)			
Site Preparation (\$ /GSF)			
Parking (\$ per space)			
Total			<u>\$1,080,000</u>

Related Costs

Architect/Engineering	<u>\$ 60,000</u>	
Legal	<u>20,000</u>	
Accounting	<u>80,000</u>	
Developer	<u>5,000</u>	Outreach & Selection Fund, See Cash Flow
Other Fees (please specify)	<u>120,000</u>	Includes Carrying Costs
Construction Loan Interest (12 mos. @ 15% on \$)		
Real Estate Taxes (Constr. period)		<u>Request Abatement in Construction Period</u>
Condominium Carrying Cost (Sale. Period)	<u>Above</u>	
Insurance	<u>6,000</u>	
Title	<u>Above</u>	
Total		<u>\$ 292,000</u>

Contingency (5 % of \$1,000,000)

50,000

Total Development Cost

\$1,722,000

Equity Participation	<u>\$250,000</u>	
(Amount and % of Total Development Cost)		<u>14%</u>

Condominium Development Costs/NSF		TOTAL	<u>\$63/NSF</u>
-----------------------------------	--	-------	-----------------

Condominium Sales/NSF			<u>\$72/NSF</u>
-----------------------	--	--	-----------------

Gross Sales Proceeds	(Subsidies \$205,000)		<u>\$2,018,000</u>
----------------------	-----------------------	--	--------------------

Less Marketing Fees (% 6 of Gross Sales Proceeds)		(<u>121,000</u>)
---	--	--------------------

Less Development Costs		(<u>1,722,000</u>)
------------------------	--	----------------------

Net Profit (Before Taxes)		<u>126,000</u>
---------------------------	--	----------------

Return on Equity		<u>50%</u>
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FINANCIAL ANALYSIS

4-18 CLARENDON - 72 WARREN

COST OF OWNERSHIP PRO FORMA FOR CONDOMINIUM UNIT
 (Estimates in 1983 Dollars
 Using 7% Inflation Factor from 1982)

	<u>2BR</u>	<u>2BR SUBSIDIZED</u>
Average Unit Size (NSF)	980	<u>980</u>
Average Unit Price	78,000	<u>51,000</u>
Downpayment (\$20%)	15,600	<u>10,200</u>
Annual Common Area Charges	<u>\$600</u>	600
Annual Land Lease Payment (\$ /NSF)	<u>N/A</u>	N/A
Annual Real Estate Taxes 2.5%	<u>1,950</u>	1,275
Annual Mortgage Payment (13 % on \$ for 25 years)	<u>8,448</u>	4,872
Total Annual Cost of Ownership (Before-tax)	<u>\$10,998</u>	<u>\$6,747</u>
Total Monthly Cost of Ownership (Before-tax)	<u>\$916</u>	<u>\$562</u>

SUBSIDIES - Factors Which Affect Subsidies

Subsidy Size

For a given total subsidy, our preference would be to maximize the subsidy on each unit as opposed to maximizing the number of units subsidized. Subsidies which do not reach moderate income levels, as discussed earlier, should be avoided. Shown below is an analysis of recent market and buyer income requirements.

SAMPLE ANALYSIS OF THE SUBSIDY IMPACT ON THE MINIMUM INCOME QUALIFICATIONS FOR BUYER

	<u>100% Market</u>	<u>65% Market</u>
@ \$80/sq.ft.		

SALES PRICE

2 Bedroom 980 sq.ft. all new rehabilitation	\$78,000	\$51,000
20% Down 80% Mortgage	62,400	40,800

DIRECT MONTHLY COSTS*

Principal & Interest	704	406
Taxes	162	106
Condominium Fees	50	50
	<u>916</u>	<u>562</u>

BUYER-MINIMUM INCOME TO QUALIFY FOR MORTGAGE**	\$39,257	\$24.100
---	----------	----------

* - Assumes 25-year mortgage at 13% Interest
- Taxes at 2½% of Sales Price
- Equivalent Condo Fee

** - Direct Monthly costs must be less than 28% of
gross monthly income.

72 Warren Ave.
4-18 Clarendon St.

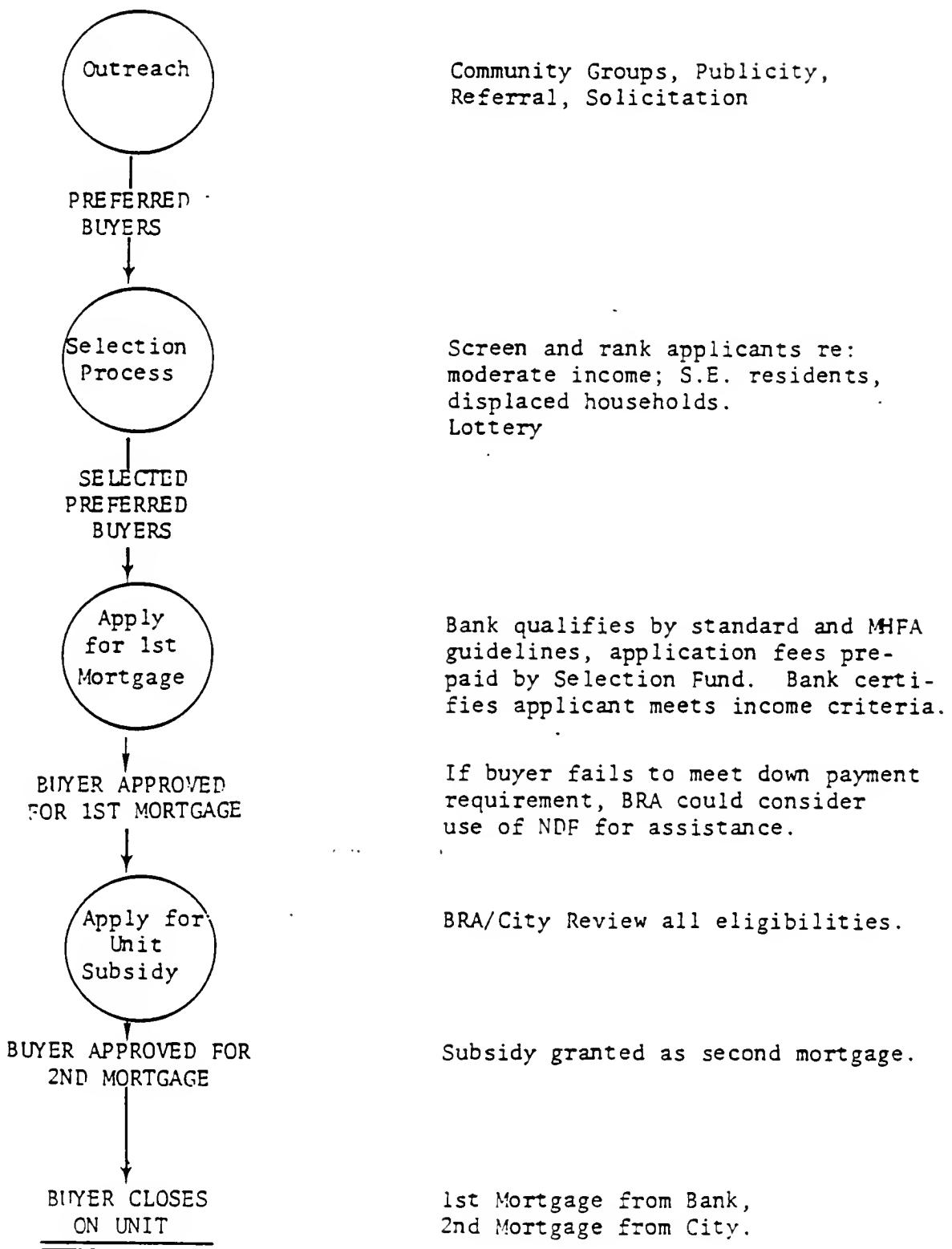
* Our proposal to the BRA includes both a cash purchase and an allowance for subsidies. Our analysis of market value results in total intrinsic value of \$350,000. Our proposal includes a cash payment of \$146,000 and subsidies of \$204,000 which are distributed to the eight units as shown above. We guarantee these final subsidized prices on the eight subsidized units. This price is determined by assuming a market price of \$80 per sq. ft. and a 35% subsidy. All non-subsidized units will then be allowed to be market priced. The developer assumes the risks and benefits of the market units.

Using MIA guidelines.

SUBSIDIES

SAMPLE FLOW CHART

OUTREACH SELECTION AND
QUALIFICATION FOR SUBSIDIZED UNITS



7142 023

BOSTON PUBLIC LIBRARY



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